

Newsletter 40: 25th April 2008

This is part of a fortnightly series of newsletters that will help explain the process and progression towards the Convergence Programmes for Cornwall and the Isles of Scilly. The newsletters will contain the most up to date information about Convergence as it evolves over the coming months. Updated information will appear in bold blue type.

PARTNER'S PERSPECTIVE

Continuing our series in which partners reflect on key topics for Convergence, Mark Marriott of Barclays Commercial Bank discusses the global credit crunch.

CORNWALL AND THE CRUNCH – Mark Marriott, Barclays Commercial Bank, Cornwall & Plymouth Team

- National economy** “2008 will be the most difficult year for the national economy for over a decade. Although most believe a recession will be avoided, the much slower period of economic growth likely this year will be painful for many firms – especially as many businesses have only ever traded in prosperous times.
- Cornish economy** “It is unrealistic to expect Cornwall to buck this national trend completely. Our customer data for Q1 2008 still does show more local firms expanding than in other parts of the South West and nationally. This was indeed the case in late 2007 following the mixed summer season. However, a slower housing market and lower consumer confidence will take its toll as the year progresses.
- Measured view** “Nevertheless, business leaders in Cornwall should take a realistic and measured view of the impact of the crunch in Cornwall. We are much better placed than many other parts of the UK. Objective One investment along with a raft of other initiatives has begun to transform the Cornish economy. While a less buoyant year is in prospect local GDP growth will still outperform the national picture and business development opportunities will still be evident.
- Banking** “This of course begs the question, will banks still be able to lend to good Cornish business ideas? My answer is “yes”. It would be very misleading to read across from issues some lenders are having funding residential mortgages to SME lending. Relationship banking is all about working closely with customers particularly in more difficult times to help them achieve their goals.”

Mark Marriott
Area Corporate Director
Barclays Commercial Bank, Cornwall & Plymouth Team

WHAT WE KNOW ABOUT CONVERGENCE

Rural Development Gateway	Groups, organisations and businesses can access support from the Rural Development Programme for England (RDPE) through the Rural Development Gateway which offers information and provides a route to assistance from the South West Rural Enterprise Gateway (SWREG).
Support available	Full access to investment from the Rural Programme will be available in autumn 2008 when the regional Grant Administration Body will be in place. Until then, the South West Regional Development Agency will process a small number of early investments where proposals are fully developed.
Contact details	The Rural Development Gateway can be contacted on telephone number 0845 600 9966 or at www.sw-ruralgateway.info .
Why did Cornwall and the Isles of Scilly qualify for Convergence?	<p>Cornwall and the Isles of Scilly were awarded Convergence status when the European Union's budget for 2007-2013 was decided. At that time the most up to date figures (an average for 2000-2002) showed that Cornwall and the Isles of Scilly's Gross Domestic Product (GDP, a measure of wealth creation) was less than 75% of the European Union average, allowing this area to qualify for Convergence.</p> <p>If the measurement was done again today we would no longer qualify. The latest data shows that in 2005 Cornwall and the Isles of Scilly's GDP per head was 77% of the EU average.</p>
Focus of ERDF Convergence Programme	The ERDF Convergence Programme, which began in January 2008, will focus on business support, modern economic infrastructure and increasing innovation and research and development.
What activities will be eligible for ERDF investment?	Details of activities which will be supported can be found in Section 6 of the ERDF Convergence Operational Programme under '14 December 2007' at www.objectiveone.com/O1htm/01-convergence/recentnews.htm
How can I apply for ERDF Convergence investment?	The majority of activity in this Programme will be commissioned, so there will be very limited opportunities for people to bid into the Programme. If opportunities arise they will be publicised through www.objectiveone.com under 'Convergence'.
Commissioning	Commissioning teams have begun to identify and develop investments which partners believe have the potential to transform the economy. Once proposals have been tested and agreed the Programme will commission activity to implement them.
ESF Programme for England	The national ESF (European Social Fund) Operational Programme, which will invest in skills and employment, includes a ring-fenced allocation of c. £133m of European investment and specific priorities for Cornwall and the Isles of Scilly. It can be found at www.esf.gov.uk .
What activities will be eligible for ESF investment?	ESF investment will focus on tackling barriers to work, improving workforce skills, and research and graduate activity. Further details can be found at www.esf.gov.uk and www.swrsp.org.uk .

ESF Co-Financing, tendering and procurement ESF investments will be guided by the Learning and Skills Council and the Department for Work and Pensions (Jobcentre Plus). Organisations have been invited to tender to deliver ESF investments. The Department of Work and Pensions' successful bidders are expected to be announced on 9 May 2008, with results from the Learning and Skills Council in summer 2008. Further information about tendering can be found at www.lsc.gov.uk/providers/provider-procurement/esf-procurement/ and www.dwp.gov.uk/supplyingdwp/what_we_buy/european_social_fund.asp.

ESF newsletter An e-zine, 'ESF at Work', is available at www.esf.gov.uk/news/e-zine/.

European investment in the ERDF and ESF Convergence Programmes:

	£	€
ERDF	c. £311.4 m	c. €458 m
ESF	c. £133.3 m	c. €196 m
Total investment	c. £444.7 m	c. €654 m

Rural Programme in the South West The Rural Development Programme for England (RDPE) allocates Cornwall and the Isles of Scilly c. £55m (EU investment plus UK match-funding) for the socio-economic parts of the Programme. Further details can be found at www.southwestrda.org.uk/what-we-do/regeneration/eafrd/introduction.shtm.

Further information The approved RDPE Programme Document can be found at www.defra.gov.uk/rural/rdpe/progdoc.htm and additional information is available from www.defra.gov.uk/rural/rdpe/index.htm.

Accessing the Rural Programme The main portal for the Rural Programme is the Rural Development Gateway. Larger projects and services will be commissioned by the South West RDA.

Expressions of interest The South West RDA's call for expressions of interest in the provision of Grant Administration Services for the Rural Programme has now closed.

European Fisheries Fund Programme The European Fisheries Fund Programme has allocated £26.42 million to England and £7.3 million to Cornwall and the Isles of Scilly. The UK's National Strategic Plan (NSP), has been submitted to the European Commission and can be found at www.defra.gov.uk/marine/fisheries/grants.htm.

First phase of consultation begins The first phase of the consultation on the European Fisheries Fund (EFF) Operational Programme ran until 4 April 2008 - all documents can be found at www.defra.gov.uk/corporate/consult/eufishfund/index.htm. The final draft is expected to be submitted to the European Commission in late April.

Second phase of consultation The second phase of the consultation – in May 2008 - will seek comments on the specific measures which the UK proposes to support.

Further information For further information about the Fisheries Programme please see www.southwestrda.org.uk/what-we-do/policy/european-prog/european-programmes.shtm and www.mfa.gov.uk/.

WHAT WE DON'T KNOW

The detail of the Fisheries Programme Work is underway in the Marine and Fisheries Agency (MFA) to develop the European Fisheries Fund (EFF) Operational Programme.

More detailed information about Convergence, links to key organisations and websites can be found in the 'Convergence' section of the Objective One website www.objectiveone.com.