

Newsletter 21: 29th June 2007

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.**

Dear Colleague

ICT and global markets

It is difficult to sketch a picture of all the innovative changes that will happen in a future dominated by invisible networks through cyberspace. Yet in today's global economy the best IT technology and the best cutting edge applications underpin economic success. Without these, economies shrink to the capacity of their physical markets and are powerless to engage in the wider global markets to attract greater value to their local communities.

Driving competitiveness

The Lisbon Strategy – the overall UK and European goal for a more modern and competitive economy that supports business growth and better quality jobs – recognises that advanced IT use drives both innovation and improvements in business productivity and international competitiveness. Or as one partner commented: “In other words, it's about competitiveness, competitiveness and more competitiveness.”

actnow

We have started this journey. actnow, the ground breaking public-private (BT) Objective One project, has shown the UK that IT adoption and exploitation by business is as relevant to business productivity and competitiveness in a peripheral economy such as Cornwall and the Isles of Scilly as to more urban economies. For Cornwall and the Isles of Scilly, broadband has compressed time and space – worldwide business opportunities really are only a click of your mouse away!

Technology for the future

But, and this is a big “but”, we are limited by the availability and quality of bandwidth. We need to look to the future and invest in the best global technology available. Next generation networks and access - with new technology, greater bandwidth and higher speed all fuelling business innovation and productivity - are key to both developing existing businesses and providing the business connectivity for the new enterprises. Many of the new applications are yet to be dreamt of just as e-mails, online shopping, multi-media social networking and virtual worlds were unknown before the invention of the internet only 16 years ago, in 1991.



Sustainable technological infrastructure

If Cornwall and the Isles of Scilly are to fully exploit the economic regeneration opportunity provided by Convergence then a key ingredient must be to build on the local knowledge and experience both in actnow and to tap into global expertise and innovation to ensure that we provide ourselves with a truly future proof and sustainable technological infrastructure that business can exploit for decades to come for the benefit of our economic future.

**Carleen Kelemen
Director
Objective One Partnership Office**

UPDATE FROM THE MANAGING AUTHORITY

First commissioning workshop held

The first commissioning workshop, organised by the Partnership Delivery Board was held on 19 June at St Mellion. Feedback on key outcomes and next steps was discussed at the shadow Programme Monitoring Committee (PMC) on 22 June. Notes of both meetings will be posted at www.objectiveone.com in due course. The workshop took a significant step forward in developing a common understanding of commissioning and, most importantly, in planning the next actions so that the ERDF Programme gets off to a good start in the autumn. Attendance by senior people from the Higher Education and Learning and Skills sectors also meant that partners were able to make concrete the links between ERDF and European Social Fund, and move towards joint commissioning where this is needed. All the presentations from the day, can be seen at www.objectiveone.com. The Partnership Delivery Board (PDB), at its next meeting on 1 August, will be endorsing the creation of a number of commissioning teams, following recommendations from the workshop. In the meantime, though, it was agreed that pre-commissioning work in major areas of the Programme, such as ICT, should continue. A further workshop for shadow PMC members, District Council Chief Executives and other senior stakeholders will be held shortly.

Comments on the Operational Programme are awaited

Meanwhile, we await the first formal comments from Brussels on the draft Operational Programme. So, while partners are actively working on the major investment themes and ensuring that delivery will be ready to start, the final form of the Operational Programme has yet to be agreed and no actual approval of expenditure can take place until the Programme is signed off. We hope this will still be in the autumn as planned for, and the signs are that the European Commission remains supportive of the Programme's aims and activities. We will continue to keep everyone up to date through this newsletter.

**Phil McVey
Head of European Programmes
South West Regional Development Agency**

WHAT WE KNOW ABOUT CONVERGENCE

Convergence ERDF Operational Programme submitted	<p>The Convergence ERDF Operational Programme, which describes how ERDF investment will be utilised in Cornwall and the Isles of Scilly, has been accepted by the European Commission, allowing the negotiations to begin in July. The discussions are expected to conclude in the autumn, allowing the Programme to 'go live'. The Operational Programme, as submitted to the Commission, can be found in the 'Towards Convergence' section of the Objective One website, www.objectiveone.com.</p>
Match Funding	<p>Public sector match funding for the ERDF Convergence Programme is expected to come from a combination of local, regional and national sources.</p>
ERDF Convergence consultation	<p>The consultation on the draft European Regional Development Fund (ERDF) Convergence Operational Programme for Cornwall and the Isles of Scilly ran from 20 November 2006 to 16 February 2007. The South West Regional Development Agency will publish a consultation report in due course. Further information can be found at www.southwestrda.org.uk/what-we-do/policy/consultations.shtm.</p>
Management arrangements for Convergence ERDF	<p>The South West RDA will carry out the Managing Authority tasks for the ERDF Convergence Programme. Details of the management and delivery arrangements have yet to be finalised; further information is contained within the ERDF Operational Programme. A 'shadow' Programme Monitoring Committee (PMC) and 'shadow' Partnership Delivery Board (PDB) have been established. For Objective One, the Managing Authority for ERDF, ESF and EAGGF has been Government Office for the South West and the Marine Fisheries Agency for FIFG.</p>
What will commissioning look like in the Convergence Programme?	<p>The Convergence Programme aims to make a smaller number of more strategic investments than the Objective One Programme. To achieve this some investments will be commissioned. What these investments will be and details of the commissioning process are being developed by the Partnership Delivery Board and the Programme Monitoring Committee. Commissioning will allow investments to be made in a more strategic, efficient and effective way. More information can be found in Newsletter 17, in the Towards Convergence section of the Objective One website, www.objectiveone.com.</p>
ESF Operational Programme negotiations	<p>The final draft of the ESF Operational Programme for England 2007-2013 was submitted to the European Commission by the Department for Work & Pensions on 30 May and is expected to be agreed by the autumn. It can be downloaded from www.esf.gov.uk. The key issue arising in negotiations is the percentage of disadvantaged people supported, with an expectation from the Commission that that funds should concentrate on those in the target groups; disabled, lone parents NEETS and women beneficiaries, etc.</p>
ESF consultation	<p>The consultation on the England ESF Programme 2007-13 ran from 30 October 2006 to 22 January 2007, co-ordinated by the Department for Work and Pensions.</p>
Government response to ESF consultation published	<p>On 4 May 2007 the Government's response to the consultation on the England ESF Programme (held 30/10/06 – 22/1/07) was published. It summarises stakeholders' responses, sets out the Government's position and indicates modifications made to the draft Operational Programme in the light of stakeholders' views. It can be found at www.esf.gov.uk.</p>

ESF Framework	The South West Regional Skills Partnership (SWRSP) held an electronic consultation on the ESF Framework for Cornwall and the Isles of Scilly until 1 June 2007. Responses and comments from the Managing Authority will inform the final draft, which will be submitted for approval to the SWRSP Board in July. The Framework can be found at www.swrsp.org.uk .												
Co-financing for ESF	The Co-Financing Organisations (CFO) Steering Group led by Government Office for the South West (GOSW) and made up of existing and potential CFO's will meet on 18 June to begin the development of the CFO Plans. CFO's will need to submit applications to the Managing Authority to be a CFO by the end of June 2007. The CFO's intend to run a number of sub-regional events through the summer to help inform their plans which will need to be submitted to Government Office for the South West by the end September for approval by October.												
Management arrangements for Convergence ESF	The Managing Authority for the ESF Programme in England 2007-13 will be the European Social Fund Division (ESFD) of the Department for Work and Pensions, overseen at a national level by a Programme Monitoring Committee. Most of the delivery of the national Programme will take place at regional level and the Regional Skills Partnerships have a leading role in the development of regional ESF Frameworks. The Convergence area of Cornwall and the Isles of Scilly will have its own framework and committee. It is suggested that the Regional ESF Committee should be combined with the ERDF Programme Monitoring Committee. For the Convergence area of Cornwall and the Isles of Scilly, a joint ERDF and ESF Convergence Programme Monitoring Committee is proposed.												
NSRF published	The National Strategic Reference Framework (NSRF), outlines broad priorities, management arrangements and funding allocations for ERDF and ESF Programmes 2007-2013. More information can be found at: www.dti.gov.uk/consultations/page28796.html .												
What is the budget for Convergence?	European investment in the Convergence Programmes will be as follows: <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="border: none;"></th> <th style="border: none; text-align: center;"><i>£</i></th> <th style="border: none; text-align: center;"><i>€</i></th> </tr> </thead> <tbody> <tr> <td style="border: none;">ERDF</td> <td style="border: none; text-align: center;">c. £311.4 m</td> <td style="border: none; text-align: center;">c. €458 m</td> </tr> <tr> <td style="border: none;">ESF</td> <td style="border: none; text-align: center;">c. £133.3 m</td> <td style="border: none; text-align: center;">c. €196 m</td> </tr> <tr> <td style="border: none;">Total investment</td> <td style="border: none; text-align: center;">c. £444.7 m</td> <td style="border: none; text-align: center;">c. €654 m</td> </tr> </tbody> </table> <p>There is a 70:30 split between ERDF and ESF funding. In Objective One 75% was allocated to ERDF and 25% to ESF.</p>		<i>£</i>	<i>€</i>	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
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The Objective One Programme	The investment cycle of the Objective One Programme ran until 31 December 2006 and will be followed by Convergence Programmes for the period 2007-2013 – this was decided when the EU budget was agreed in December 2005. The purpose of the Convergence Programmes will be to speed up the economic development of Cornwall and the Isles of Scilly.												
The role of Strategy and Action	Strategy and Action – the overarching economic regeneration strategy for Cornwall and the Isles of Scilly - will inform the ERDF and ESF Convergence Programmes. The Programmes will not be able to do everything in Strategy and Action, but will be able to invest in some of it.												
Convergence only ERDF and ESF	There will be a number of differences between the Objective One Programme and the Convergence Programmes. <ul style="list-style-type: none"> • Convergence will consist only of ERDF and the ESF. 												

Rural and fish part of mainstream programmes	<ul style="list-style-type: none"> • The rural and fisheries funds will become part of mainstream UK programmes, but with ring-fenced allocations for Cornwall and the Isles of Scilly.
Rural programme submitted to European Commission	<p>The draft Rural Development Programme for England, which outlines the aims of European Agricultural Fund for Rural Development (EAFRD) investment from 2007 to 2013, has been submitted to the European Commission. Approval can take up to six months and changes may be made to reflect the outcome of discussions with the European Commission and the results of the consultation on the Programme's Environmental Report which is open until 5 July 2007. The RDPE, as submitted to the European Commission, and details of the current consultation can be found at www.defra.gov.uk/erdp/rdp07_13/index.htm.</p>
Fisheries	<p>Proposals for delivering the European Fisheries Fund (EFF), a national programme which replaces the Financial Instrument for Fisheries Guidance (FIFG), are currently being developed by the Marine and Fisheries Agency (MFA). Work is now underway within the MFA to develop an EFF Operational Programme which will outline investment priorities. This will be subject to consultation in summer 2007 before approval by the EU and will cover the priorities, finance and delivery for England. A 'Convergence' allocation for Cornwall and the Isles of Scilly will guarantee a level of funding for Cornwall.</p>
More information about the fisheries and rural programmes	<p>Further information about the fisheries programme can be found in the South West Regional Development Agency's 'European Cohesion Policy Update' at www.southwestrda.org.uk/what-we-do/policy/european-funding-pos.shtm. More information about the Rural Development Programme for England 2007-2013 and the Regional Implementation Plan is available at www.southwestrda.org.uk/what-we-do/regeneration/eafrd/introduction.shtm and www.defra.gov.uk under Rural Affairs. The Objective One website www.objectiveone.com also contains additional information in the 'Towards Convergence' section.</p>
The Lisbon Agenda	<p>European and UK economic regeneration policy is increasingly being driven by the Lisbon Agenda where the EU set itself the goal of becoming the most competitive and dynamic knowledge based economy in the world. It has been written by the EU and Member States in response to intensified competition from around the world.</p>
Lisbon targets	<p>The Convergence Programmes will need to clearly show how they are contributing to the Lisbon Agenda – this will mean a significant increase in emphasis on business competitiveness and productivity, innovation and a more knowledge based economy. The draft Operational Programme submitted to the European Commission suggests a target of c. 80% of the Convergence Programmes to meet the objectives of the Lisbon Agenda.</p>

WHAT WE DON'T KNOW ABOUT CONVERGENCE

What activities will be eligible for funding?	Detailed priorities for Cornwall and the Isles of Scilly are contained in the ERDF and ESF Operational Programmes, which are in the final stages of development.
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More detailed information about Convergence, links to key organisations and websites can be found in the 'Towards Convergence' section of the Objective One website www.objectiveone.com