

Working Towards the Convergence Programmes

Newsletter 13: 2nd March 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 blue.](#)

Dear Colleague

Research & Development and Innovation

- Context* [Cornwall and the Isles of Scilly has an enviable track record in terms of business start ups and employment growth, although this has been led by growth in low paid and lower skilled employment.](#)
- Looking forward* [The evidence suggests that there is a need to accelerate the restructuring process and in particular to create jobs in new, higher skilled sectors and areas of the economy where there are long-term growth prospects.](#)
- R&D and innovation in Convergence* [The Research & Development and Innovation strand of the Convergence Programmes will increase the rate of innovation and other economic benefits arising from the commercial application of ideas and intellectual assets. The aim is to grow new businesses and raise the productivity of existing businesses through the application of knowledge including product and process improvements.](#)
- Lisbon Strategy* [In an increasingly global economy business success is increasingly based on ideas, knowledge and technology. Indeed the analysis of the EU-wide Lisbon Strategy for economic growth identifies the poor performance in research & development as one of the key inhibitors in European economic performance.](#)
- Building on success* [This is not a totally new activity for Cornwall and the Isles of Scilly – “Camborne School of Mines \(part of University of Exeter in Cornwall\) has already spun out about 36 companies many using ideas from the multi-million pound ‘hot rocks’ project” explains professor Keith Atkinson, Provost of the University of Exeter in Cornwall who continues: “The Combined Universities is above all an economic project designed to help the region to take advantage of the opportunities offered by the knowledge economy,” thereby placing the CUC partnership, including the Peninsula Medical and Dental School, at the heart of the economic modernisation agenda.](#)
- Challenge* [This is a major challenge for the economy as traditionally knowledge based economies have developed in areas where there is a critical mass of people, creativity, ideas and a culture of collaboration and competition.](#)
- Themes working together* [Enhancing R&D and business innovation on its own will not be enough but will need to be supported by the complementary themes of: improving productivity levels across the business base; supporting people to realise their full potential in the economy; the provision of infrastructure for a modern economy; place based regeneration; and the development of an inclusive and environmentally smart business model: all of which, working together, are vital in securing sustainable economic growth for Cornwall and the Isles of Scilly.](#)

Carleen Kelemen
Director
Objective One Partnership for Cornwall and the Isles of Scilly

Update from the Managing Authority

Analysis of consultation responses

As we reported last time, the ERDF consultation closed on 16 February. Thank you all for your responses; the quantity and quality of which reflects the importance attached to the Programme and the genuine interest we all have in the future of Cornwall and the Isles of Scilly's economy. We received about 60 responses from a wide range of stakeholders, across the public, private, voluntary and community sectors. In addition to responses from within the area, it was encouraging to also receive responses from regional and national organisations. We are now analysing and summarizing the responses and will be publishing this summary, along with a list of all those who responded.

Further revision of the Operational Programme

During March, the output from the consultation, together with the detailed work carried out by technical task and finish groups, will contribute to a further revision of the operational programme before submission to UK government and Brussels. We remain on track to begin negotiations after Easter and would hope that programme delivery will start in the autumn.

Governance and delivery structures

In parallel with work on the programme, partners are now actively engaged in the detail of governance and delivery structures. The desire to have more streamlined systems has been widely supported during the consultation and we will soon be ready to publish details of the Commissioning approach to delivery and proposed governance structures. Partners are meeting today to hear our proposals and we will provide more information in a future newsletter. Key to any proposals will be structures that bring ERDF, ESF, the rural and fish programmes closely together.

Phil McVey
Head of European Programmes
South West Regional Development Agency

What we know about Convergence

- Next steps for the ERDF Operational Programme* The South West RDA, as Managing Authority for the ERDF Convergence Programme, will publish the responses to the consultation in due course.
- Responses will inform the Final Operational Programme which is expected to be submitted to the Department for Communities and Local Government this month. It will then be submitted to the European Commission in March or April and the detail will be negotiated during the summer of 2007, allowing the programme to 'go live' in the autumn.
- ERDF Convergence consultation* The consultation on the draft European Regional Development Fund (ERDF) Convergence Operational Programme for Cornwall and the Isles of Scilly was launched on 20 November 2006 and ran until 16 February 2007. Responses were made to the South West Regional Development Agency using the feedback form. Further information can be found at www.southwestrda.org.uk/european-programmes .
- ESF consultation and next steps* On 30 October 2006 the Department for Work and Pensions (DWP) launched the consultation for the England ESF Programme 2007-13. The consultation has now closed as the deadline for responses was 22 January 2007. Information about the next steps following the ESF consultation can be found at www.esf.gov.uk.
- The Final Operational Programme is expected to be published and made available on the ESF website (www.esf.gov.uk) when it is submitted to the European Commission.
- NSRF published* On 23 October the Government published its response to the consultation on the National Strategic Reference Framework (NSRF), outlining broad priorities, management arrangements and funding allocations for ERDF and ESF programmes 2007-2013.
- More information* More information about the NSRF and the Government's response to the consultation, can be found at: <http://www.dti.gov.uk/consultations/page28796.html>
- What is the budget for Convergence?* The financial tables for the Cornwall and Isles of Scilly Convergence Programme have been updated. The Programme will receive a total investment of c. £453 million (c. €648m), the majority of which will come from the European Regional Development Fund (ERDF), with approximately £133m (c. €190m) being made available through the European Social Fund (ESF). The government proposes a 70:30 split between ERDF and ESF funding. However, the details of the ERDF and ESF Operational Programmes will determine the final splits.
- Management arrangements for Convergence ERDF* The South West RDA will take the lead in the management of Cornwall and the Isles of Scilly's ERDF Convergence Programme. However, the details of the management and delivery arrangements have yet to be clarified and further information will be contained within the ERDF Operational Programme.
- For Objective One, the role of Managing Authority for ERDF, ESF and EAGGF has been Government Office for the South West and the Marine Fisheries Agency for FIFG.
- Management arrangements for Convergence* The draft ESF Operational Programme, which was out for consultation from 30 October 2006 to 22 January 2007, proposes that the Managing Authority for the ESF Programme in England 2007-13 will be the European Social Fund Division

<i>ESF</i>	(ESFD) of the Department for Work and Pensions, overseen at a national level by a Programme Monitoring Committee. Most of the delivery of the programme will take place at regional level. The Regional Skills Partnerships will have a leading role in the development of regional ESF strategies and may be assisted by regional ESF committees. The Convergence area of Cornwall and the Isles of Scilly will have its own strategy and committee.
<i>The current Objective One Programme</i>	The investment cycle of the Objective One Programme ran until 31 December 2006. This will be followed by European Regional Development Fund (ERDF) and European Social Fund (ESF) Convergence programmes for the period 2007-2013. The purpose of the Convergence programmes will be to speed up the economic development of Cornwall and the Isles of Scilly.
<i>The role of Strategy and Action</i>	Strategy and Action – the overarching economic regeneration strategy for Cornwall and the Isles of Scilly - will inform the ERDF and ESF Convergence programmes. The Convergence programmes will not be able to do everything that is included in Strategy and Action. They will be able to invest in some of it. There will be a number of differences between the Objective One Programme and the Convergence programmes.
<i>Convergence only ERDF and ESF</i>	<ul style="list-style-type: none"> • Convergence will consist only of ERDF and the ESF. • In the NSRF the Government proposes to allocate 70% of Convergence to ERDF and 30% to ESF. However, the details of the ERDF and ESF Operational Programmes will determine the final splits. In Objective One 75% was allocated to ERDF and 25% to ESF.
<i>Rural and fish part of mainstream programmes</i>	<ul style="list-style-type: none"> • The rural and fisheries funds will become part of mainstream UK programmes.
<i>More information about the fisheries and rural programmes</i>	<p>Further information about the fisheries programme can be found in the South West Regional Development Agency's Cohesion Newsletter 'European Cohesion Policy Update' at: http://www.southwestrda.org.uk/what-we-do/policy/european-funding-pos.shtm</p> <p>And more information about the rural programme, including a link to the latest draft of the Regional Implementation Plan, is available at: http://www.southwestrda.org.uk/what-we-do/regeneration/cafrd/introduction.shtm</p> <p>The Objective One website www.objectiveone.com contains more information in the 'Towards Convergence' section.</p>
<i>The Lisbon Agenda</i>	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.
<i>Lisbon targets</i>	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. There will be a target of at least 60% of the Convergence programmes to meet the objectives of the Lisbon Agenda.

What we don't know about Convergence

What will commissioning look like in the Convergence Programme? 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, how much they will cost and the details of the commissioning process are currently under discussion.

Details of the Convergence Programmes. Although we know that there will be ERDF and ESF Convergence programmes for Cornwall and the Isles of Scilly – the decision was made when the European Union's Member States agreed the EU budget in December 2005 – we still do not know the exact details of the programmes.

The National Strategic Reference Framework (NSRF) indicates that the South West RDA will have an important role in managing the ERDF Programme; more details are expected to be included in the ERDF and ESF Operational Programmes.

What activities will be eligible for funding? The NSRF outlines broad priorities for ERDF and ESF in the UK, but the detailed priorities for Cornwall and the Isles of Scilly will be contained in the ERDF and ESF Operational Programmes, which are being developed and consulted upon at the moment.

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