

1. Identification

Operational Programme	Objective concerned Convergence
	Eligible area concerned Cornwall and Isles of Scilly
	Programming period 2007-2013
	Programme number (CCI No) 2007 UK 16 1 PO 003
	Programme title Convergence Programme for Cornwall and the Isles of Scilly
Annual Implementation Report	Reporting year 2010
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Introduction

The Managing Authority for the Operational Programme is the Secretary of State for Communities and Local Government. Under the terms of Article 59(2) the Secretary of State has chosen to designate a single intermediate body (A59(2) body) to carry out some of the tasks of the Managing Authority. The A59(2) body for the Convergence Programme for Cornwall and the Isles of Scilly is South West of England Regional Development Agency (South West RDA). South West RDA has been responsible for drawing up this Annual Implementation Report for 2010, gaining approval for the Report from the Programme Monitoring Committee and submitting to the Managing Authority prior to submission to the Commission.

The Report should be read in conjunction with the Operational Programme 2007-13, which explains the strategy behind the Convergence Programme; how that strategy was developed in relation to the socio-economic context; incorporates cross cutting themes; spatial priorities; how Convergence could add value; how the budget has been divided between Priority Axes; how the budget might balance between activities in each Priority Axis and the delivery arrangements for the Programme. The Programme objective is:

To establish the momentum for transforming the economy to a high value added economy where knowledge, environment and quality of life underpin sustainable economic growth.

N.B. The Parliamentary Under Secretary of State for the Department of Communities and Local Government, Baroness Hanham, made a Written Ministerial Statement on 3 February 2011 announcing a series of changes to the operation and delivery of the European Regional Development Fund (ERDF) in England. In that statement the Minister explained that following the decision to abolish Regional Development Agencies and instead encourage local communities to come together to form economic partnerships, it was concluded that to maintain compliance with EC Regulations and maintain spending momentum, the existing ERDF staff and functions should be transferred into the Minister's department by the beginning of July 2011.

SECTION TWO: OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME

2.1 Achievement and analysis of progress

2.1.1 Strategic Activity

2010 saw a number of political changes that have had an effect on ERDF delivery including a review of the business support landscape and the creation of Local Enterprise Partnerships as a body working on economic regeneration – Cornwall and the Isles of Scilly were successful in gaining approval for their LEP proposals in December 2010. Following the appointment of a Coalition Government, the decision was taken to close the RDA network in March 2012 and the Government Office network in March 2011. This had significant implications for the administrative arrangements for ERDF and ESF and loss of a source of match funding for the ERDF Programme. Although the Dept for Communities and Local Government (DCLG) has agreed to directly manage the ERDF Programmes using staff from the RDA local ERDF Secretariats, the practicalities of the transition will be worked through in 2011. Dept for Work and Pensions is to directly manage the ESF Programmes, again the implications of continuing to work with the ERDF Programme will be worked through in 2011, but partners have been very clear in their desire to see the two Programmes continue to be led via a Joint Steering Committee, i.e., the Programme Monitoring Committee.

The Programme Monitoring Committee met five times in 2010, three formal meetings dealing with regulatory business and two more informal sessions that allowed the PMC the opportunity to look at particular issues in detail. Key issues in 2010 for the PMC's consideration were: the economic position of the Programme area and its potential to impact on Programme delivery; any Programme impact relating to the Emergency budget and Comprehensive Spending Review proposals of the new Coalition government; the Programme's evaluation strategy; recommendations from the 2010 Programme Review and driving forward delivery.

The 2010 Programme Review was an opportunity to look back over Programme activity to date to and determine whether contracted activity was delivering Programme objectives. The first draft report of the 2010 Programme Review was received in July 2010 and the PMC took the opportunity to hold a workshop to discuss the emerging recommendations. A key point arising from the Review was that despite the economic turmoil internationally, the focus of the Programme remained valid. PMC discussion at the July workshop helpfully led to the response to the recommendations put to the PMC at its October meeting. As a result of the level of input from Programme partners a series of actions were agreed and the PMC will receive updates on activity until each action is completed. A full list of recommendations and agreed responses is provided at section 2.1.9. There were also a number of focused reviews led by partners including Business Support Review, Review of Strategic Investment Framework proposals and a Capacity Review covering Technical Assistance and capacity funded from other Priorities. The PMC have been kept updated on the detail of each of these reviews and the arising actions.

Programme Monitoring Committee meetings were held around the Programme area including St Mellion near Saltash in the south east, Bodmin, Truro, the Isles of Scilly and the Eden Project in mid-Cornwall where the third Annual Convergence

Conference was also held. The 2010 Conference was held in conjunction with the European Social Fund Programme for 80 attendees. There were round table discussions held with ERDF and ESF beneficiaries to hear their experience of European funding, in addition to reflections on Programme progress and activity for the future as presented by key figures in Cornwall Council, Government Office for the South West and South West Regional Development Agency.

The Programme comfortably met its N+2 target in 2010. Although changes were agreed by the EC to relax the 2010 target, partners recognised there was an inherent danger of not meeting the 2011 N+2 target if momentum on expenditure was not maintained in 2010, so the decision was taken to continue to monitor project level activity and press for delivery as if the 2010 target had not changed.

At the beginning of the year the PMC supported use of Technical Assistance to fund an Evaluation Framework that was to be supported by a larger Evaluation Programme to be undertaken by South West RDA. Unfortunately due to the decision to close the RDA network in March 2012, the RDA was no longer required to undertake their evaluation programme, the effect of which was to lose the Single Pot match funding for the ERDF Evaluation Programme. The ERDF Technical Assistance project was withdrawn, so partners will work with DCLG in 2011 to establish how to meet regulatory requirements around ERDF evaluation.

2.1.2 Investment Activity

The Next Generation Broadband (NGB) proposal successfully passed through Major Project procedure in 2010 and a contract was agreed in September with the successful bidder British Telecom. At £53.5m ERDF investment in the £103m Next Generation Broadband (NGB*) investment represents the single largest and most transformational investment that the Convergence programme will make.

In addition to this, during 2010 the Endorsement Advisory Group, on behalf of the Programme Monitoring Committee, considered 18 ERDF proposals and 2 ESF proposals. 17 ERDF proposals were endorsed. Examples of contracted investments are at Annex 1.

In October 2010 a Delivery Driver Group (DDG) was proposed to the PMC as a vehicle by which the deliverability of the pipeline of projects could be challenged. The PMC wholeheartedly endorsed this approach, the Delivery Driver Group first met in December and is scheduled to continue meeting in 2011. The DDG is not a strategic body, it is operational and recommendations resulting from its scrutiny are presented to the Partnership Delivery Group (PDG) for strategic decision-making.

The Partnership Delivery Group PDG (formally Partnership Delivery Board) ensure day-to-day delivery of the Programme in relation to key investment decisions and delivery methods, with specific focus on commissioning and communication, monitoring and evaluation. During 2010 they considered commissioning proposals for 15 schemes, in addition to providing a formal link between the ERDF and ESF Programmes at an operational level, considering content for PMC meetings, providing support and direction on communication activities and receiving updates on the numerous reviews underway.

2.1.3 Projection for 2011

The forecast for achieving the 2011 N+2 target looks extremely good and is likely to

be met early on in the year. This is particularly helpful in enabling attention to be focused on the work of the Delivery Driver Group, who can

It is understood Ministers are committed to giving localities and communities greater control and greater influence over the programmes and services delivered in their areas. To help achieve this, it is likely that existing Programme Monitoring Committees will be restructured in 2011 to form Local Management Committees, to ensure that local people and businesses influence the shape of the programme, whilst also reviewing compliance with EU regulations and achievement of targets. It is likely that the Cornwall and Isles of Scilly Local Enterprise Partnership will become a member of the Local Management Committee

2.1.4 Information on physical progress of Operational Programme

Table 1 Overview of Programme Indicators (aggregated from all Priorities)

Indicators	Achievement 2007-2009	Achievement 2010	Forecast achievement of contracted investments to be updated	Target Number
Outputs				
Number of businesses assisted to improve their performance	587	1380	9,452	6440
Number of research and innovation centres supported	0	1	6	6
Proportion of premises constructed/upgraded to at least the BREEAM standard of excellent or equivalent	0	0	9 (% to be calculated at Programme close)	85%
Square metres of new or up-graded premises/facilities	2544	2544	26,193	153 000
Major investment projects	0	1	1	2
Hectares of land for development	0.42	0.42	8.85	58
Redundant buildings developed for new economic use	0	0	2	40
Historic buildings / sites developed for new economic use	0	0	0	20
Sustainable Integrated Development Strategies Prepared	0	0	7	7
Results				
Gross new jobs created	105	388	8,522	15 412
Gross jobs safeguarded	30	47	2,894	8 767

No of patents granted and other IPRs and other IPR devices	0	0	21	140
No of SMEs launching new or improved products	0	8	135	1,956
No. of businesses using new infrastructure	0	0		10 000
Gross increase in GVA	£2.09m	5.9	£341m	£539.4m
Private sector investment arising from support	£4.4m		£27m	£517m
No. of companies using new ICT (new & upgraded)	0	0	1,040	4 410
No. of businesses benefitting from up-graded ICT infrastructure	0	0	10,000	10 000
No of businesses with improved performance (GVA)	0	0	0	6 000
Impacts				
Net additional safeguarded GVA	0	0	0	£99.3m
Net additional GVA	0	0	0	£370.5m
Net additional employment	0	0	0	10 590

Baseline indicators are not included in the operational Programme. Evaluation activity to be undertaken for the Programme will seek to assess the extent of progress made by the Programme and the added value. This work will also have to acknowledge the impact of the recession.

2.1.5 Financial Information

Table 2

Summary Financial Table (€m)			
	ERDF	National	Total
1 Innovation and Research & Development	105.013	35.004	140.017
2 Enterprise and Investment	130.011	54.504	184.515
3 Transformational Infrastructure	105.013	52.507	157.520
4 Unlocking the Economic Potential of Place	100.017	63.344	163.361
Technical Assistance	18.003	6.000	24.003
Total Convergence	458.057	211.359	669.416

Table 3

Overview of Programme Performance to end of 2010 £sterling					
ERDF Allocation (0.84400 exchange rate)	ERDF Value of contracts to end of 2010	% of Allocation contracted	Spend in 2010 ¹	Total Spend Prog start to end of 2010	% of Allocation Spent
386,599,783	264,466,428	68.4%	34,705,533	61,837,692	15.99%

¹ Spend = payments to beneficiaries

Table 4a**Programme Expenditure 2010**

South West RDA is not using the full MCIS system, but keep full records on local systems (see section 2.7). Therefore the figures below in columns a, and e are in euros as recorded in MCIS, but figures in column b,c and d have been converted to euros at the exchange rate 0.8440.

	a) Expenditure paid out by the beneficiaries included payment claims sent to the Managing Authority	b) Corresponding public constitution	c) Private expenditure	d)Expenditure by the body responsible for making payments to the beneficiaries	e) Total payments received from the Commission
Priority axis 1: Innovation and Research and Development (wholly ERDF)	10,412,552	3,612,436	0	8,011,258	6,850,451
Priority axis 2: Enterprise and Investment (wholly ERDF)	7,929,979	3,278,819	837,409	7,080,688	3,944,562
Priority axis 3: Transformational Infrastructure (wholly ERDF)	9,862,915	9,039,879	0	9,616,417	3,449,221
Priority axis 4: Unlocking the Economic Potential of Place (wholly ERDF)	3,235,130	566,251	1,163,145	3,080,266	1,348,135
Priority axis 5: Technical Assistance (wholly ERDF)	819,669	442,804	0	1,114,710	366,716
Grand Totals	32,260,245	16,940,189	2,000,554	28,903,339	15,959,087

Table 4b 2007 – 2010 Cumulative Position

Table 4b reflects the figures in Table 4a above added to figures provided in 2009 Report for previous years.

	Expenditure paid out by the beneficiaries included payment claims sent to the Managing Authority	Corresponding public constitution	Private expenditure	Expenditure by the body responsible for making payments to the beneficiaries	Total payments received from the Commission
Priority axis 1: Innovation and Research and Development (wholly ERDF)	21,350,565	6,543,718	0	15,517,799	14,857,182
Priority axis 2: Enterprise and Investment (wholly ERDF)	20,300,987	6,206,994	1,716,149	16,090,166	12,508,782
Priority axis 3: Transformational Infrastructure (wholly ERDF)	37,455,625	18,860,304	0	25,966,975	21,220,618
Priority axis 4: Unlocking the Economic Potential of Place (wholly ERDF)	13,223,931	4,353,017	1,392,013	9,402,206	7,321,740
Priority axis 5: Technical Assistance (wholly ERDF)	3,625,901	1,144,362	0	3,171,231	2,471,449
Grand Total	105,957,009	37,108,395	5,108,716	70,148,377	58,379,773

An advance was made to the Programme from the Commission in 2008; this represented 5% of the Programme value, that is, 22.9 meuros. An additional advance of 2.5% of the Programme's value, 11.45 meuros, was made during 2009 in response to the world-wide recession, which was impacting on many European Programmes due to increased costs of materials and scarcity of financial resources. The additional advance was intended to facilitate implementation and to help Programmes meet expenditure targets in 2009, although it does not decrease the levels of expenditure Programmes' will need to achieve in later years to deliver against the Programme budget.

In 2010 the European Commission amended the formula dictating N+2 targets, which had the crude effective of reducing the 2010 target, but increasing all targets from 2011 onwards. The existing targets for 2011 onwards are much more testing as the source of match funding for future investments becomes less certain and this will be exacerbated by the increase under the new proposal. Partners agreed that only meeting the new minimum target for 2010 would add to the pressure to deliver in the

latter stages of the Programme, so Programme partners continued to push delivery forward and comfortably exceeded the 2010 N+2 target.

There are no transitional areas within the Convergence Programme area so this information is not included in this table. During 2010 the Programme has not made use of the flexibility offered under Article 34(2) Regulation 1083/2006 where limited ERDF funds may be made available to finance ESF types of expenditure, therefore this information is not reflected in this table.

2.1.6 Information about breakdown of use of funds

The Operational Programme was drafted to promote competitiveness in recognition of the economic impact delivering such a strategy could have on the area. The Programme target for the proportion of expenditure allocated to schemes directly delivering activity compliant with the Lisbon agenda has been set at 80%; this is deliberately higher than required for Convergence areas (Article 9(3) of Regulation (EC) No 1083/2006 specifies 60%) as proof of partner confidence in delivering a challenging Programme strategy.

A full review of Lisbon codes assigned to Convergence investments was undertaken in 2010 to ensure consistency and accuracy - there were a small number of changes and these are reflected in the table below

Table 5

Cumulative 2007 – 2010 Figures shown in euros converted from sterling at 0.84400

Combination of Codes of Dimensions 1 to 5						
Objective	Code (*) Dimension 1 <i>Priority theme</i>	Code (*) Dimension 2 <i>Form of Finance</i>	Code(*) Dimension 3 <i>Territory</i>	Code(*) Dimension 4 <i>Economic Activity</i>	Code (*) Dimension 5 <i>Location NUTS II</i>	Amount(**)
CON	01	01	05	12	UKK3	35,365,656
				21		32,108,208
CON	02	01	05	22	UKK3	14,826,913
CON	03	01	05	22	UKK3	1,925,235
CON	05	01	05	22	UKK3	15,610,152
CON	06	01	05	21	UKK3	2,143,997
				22		1,831,341
CON	08	01	05	12	UKK3	26,534,927
		02		22		6,133,342
						4,443,128
CON	09	01	05	22	UKK3	9,218,379
CON	10	01	05	10	UKK3	64,209,715
CON	16	01	05	11	UKK3	5,713,009
CON	23	01	05	11	UKK3	6,321,040
CON	29	01	05	11	UKK3	12,769,549
CON	30	01	05	11	UKK3	730,697
CON	42	01	05	21	UKK3	23,637,440
CON	61	01	05	12	UKK3	4,534,686
				22		712,085
CON	75	01	05	12	UKK3	27,028,041
CON				18		3,023,202
CON				22		2,610,842

CON	85	01	05	17	UKK3	9,246,356	11,113,213
				22		1,866,856	
CON	86	01	05	22	UKK3		1,349,063
						Total	
(*) The categories should be coded for each dimension using the standard classification							
(**) Allocated amount of the Community contribution for each combination of categories (total value of ERDF invested in contracted activity under each Priority theme/Dimension 1)							

2.1.7 Assistance by target groups

Priority 4 identifies locations subject to major regeneration changes that will require long term or significant support and areas that require more limited and specific interventions to unlock significant economic opportunities. The numbers of proposals within these categories receiving investment has increased considerably in 2010 bringing the ERDF investment total to £38.6m.

2.1.8 Assistance repaid or re-used

Regarding the provisions of Article 96 EC1083/2006 our system for reporting and recording irregularities is now fully established and follows the guidance contained in the MA ERDF Operating guidance Chapter 5 – Irregularities.

Details of irregularities identified are set out in Section 2.7 below. In all cases the ERDF monies have been recovered and are available to be used on new projects

2.1.9 Qualitative analysis

Programme partners saw ERDF invested in a further 36 proposals during 2010 across all four Priority Axis, representing a total ERDF investment of over £140million (€165.8meuros) during the calendar year, the highest level of investment in one year since the Programme started. An analysis of the Programme's investments and their contribution to low carbon aspirations revealed 54% of the investment to date could be classed as low carbon. The single largest investment made was to the Programme's major project, Next Generation Broadband within Priority 3 Transformational Infrastructure. The £53.5m invested in future-proofing the region's access to broadband technology is expected to underpin most other Programme investments and thereby enhance the impact of the Programme beyond the immediate effect of the project's activity. The Programme intervention rate at the end of 2010 stood at 56%, which provides some flexibility in supporting investments in the second part of the Programme, should match funding prove harder to access because of the economic conditions.

Nearly a third of the investment made in 2010 was to Priority One proposals. Four innovation centres were supported at a cost of £42.5m. The key criteria for assessing proposals in Priority One is to determine what benefit a proposal will have in aiding business growth; so whilst two of the schemes provide high quality premises enhanced by the support to business available, the other two are intended to make the connection between Higher Education and business.

Priority Two saw a sharp increase in the rate of investment, partly due to the numbers of Grant for Business Investment (GBI) schemes and £10.8m invested in the business infrastructure strand. The GBI scheme has proved popular with the private sector and the Programme will be seeking to ensure that there are means to continue to offer this scheme through ERDF within the revised business support landscape being developed by the Coalition Government. There were a number of short term extensions to business support schemes as partners sought to review the needs of the Programme in this area for the second half of the Programme. Following the trend for significantly increased levels of investment, Priority Four saw investment doubled in 2010 mainly due to activity in the Integrated Place Regeneration strand. Partners have worked hard in 2010 on reviewing the proposals within the Strategic Investment Frameworks to ensure there are sufficient numbers

of deliverable schemes with appropriate capacity. This review has complemented the 2010 Programme Review.

Review of Programme Impact

The 2010 Programme Review produced a number of recommendations following consultation with partners. The Programme Monitoring Committee held a workshop to discuss the recommendations and agree a view on Programme priorities informed by the consultants' assessment. The table below captures the recommendations and responses agreed by the PMC, updates on progress will be provided to the PMC during 2011 for review and comment.

Recommendation	Response
1. The rationale and objectives of the strategy were valid at the time they were developed and continue to be valid. We do not recommend significant changes despite the upheaval in the economic and political context, but this will need to be further considered in light of the outcome of the Comprehensive Spending Review (CSR). The strategy of the programme should remain focused on restructuring the Cornwall and Isles of Scilly economy to address its low productivity, reliance on low value added sectors and peripherality.	Agreed. The Programme's original mission, aims and objectives remain fit for purpose and do not need significant change. The CSR is due to be announced on 20 October. Any consequential impacts on the programme and commissioned activity will be considered and taken into account in final recommendations to the PMC when it meets on 28 October and 2 December.
2. The PMC should re-confirm in the review of the Operational Programme the ultimate objectives of the programme in relation to supporting the transition to the low carbon economy. Priority should be given to investments in the low carbon economy, along with those supporting the restructuring of the economy, if the programme faces a fall in available resources as a result of cuts in match-funding.	The environment cross cutting theme is designed to ensure that programme investments support wherever possible the drive towards a low carbon economy. At the PMC workshop held in July it was clear that partners wish to maintain the momentum and retain the focus on low carbon initiatives. It is too early to say whether cuts to match funding will have an adverse impact in this respect. A number of low carbon focussed investments are in the commissioning pipeline and should support the programme's ambitions in this context.
3. That the PMC addresses weaknesses arising from the level of detail in the Operational Programme, by providing greater detail and guidance on: definition of high-growth and high value	The issue around definitions of high growth and high value has been subject to consideration as part of the Priority 2 Business Support Review process, and is subject to recommendations arising from that

<p>businesses and sectors; managing a balance between the focus on support for high value businesses and also a need to increase productivity across all sectors; including output indicators for TA and including an impact indicator for reduction in carbon emissions.</p>	<p>work listed below under the Business Support Review section.</p> <p>It would not be appropriate to agree targets for Technical Assistance ahead of hearing CLG's proposals for future TA expenditure. Once the scope for using Technical Assistance has been agreed it may then be useful to agree targets for this Priority.</p> <p>Setting carbon emission targets is too sophisticated for the Programme at this stage. It is hoped that the Carbon Compass accounting system will be further developed into a more user friendly tool through an ESF Phd placement or Unlocking Cornish Potential graduate placement. This will help measure carbon emissions and build up a database of what projects can do. This could help determination of targets in future.</p>	
<p>4.That the PMC undertakes a review by the end of October 2010 of the risks to project and programme delivery of changes in match-funding availability. This should assess all contracted, endorsed and commissioned projects and assess the risk to each of changes in match-funding. It was also suggested by the PMC at its July 2010 workshop that this should include a considered review of the degree to which projects have maximised opportunities for integration with ESF and addressing this where opportunities can be capitalised upon.</p>	<p>The CSR is expected on 20 October. The secretariat will take stock of that and other potential issues related to match funding, with a view to briefing the PMC at its meeting on 2 December. The Priority position papers will also provide a reference point to assess where funding gaps exist, or indeed where over-commitment is already a likelihood. The joint ERDF/ESF PMC arrangements should continue to offer the opportunity to ensure the funds complement and add value to one another whenever possible.</p>	
<p>5.That the PMC gives continued consideration to increasing the intervention rate to address the future match funding risks.</p>	<p>Further analysis at Priority Axis level is required to ascertain match funding requirements for the programme as a whole. A detailed examination of the commissioned project pipeline will also be undertaken to identify where shortfalls in match might exist. The</p>	

	<p>Secretariat recommends that formal negotiations are opened with the Commission on this issue. Increasing the intervention rate will provide the programme with flexibility later in the programming period if sufficient match funding cannot be secured in order to achieve the existing intervention rate</p>	
<p>6. That the PMC should ensure that output and result targets are proportionate to the amount of funding being contracted (where this is appropriate) to ensure value for money and to achieve overall targets across the Priority Axes and Programme as a whole.</p>	<p>Agreed, although the Commission has indicated that whilst achievement of output and results targets is important, there is no financial penalty if they are missed. We will however strive to achieve targets, and take them fully into account when appraising projects and commissioning future activity, to ensure the objectives of the programme are met. Monitoring of this will form part of the ERDF Reports taken to PDG and PMC meetings, and any significant variances or issues related to target achievements will be reported to the Commission via the Annual Implementation Report process.</p>	
<p>7. That the PMC informs the Task and Finish group reviewing PA2 with the findings from evaluation as a matter of urgency and that the groups' findings are then given serious consideration in terms of both headroom and the impact that has achieved to date by business support activities as evidenced by our survey of supported businesses</p>	<p>The Task and Finish Group has completed its review. The Group's findings have been fed into the Priority Position papers that have been submitted to the PMC and will be used hereafter as a programme management tool.</p>	
<p>8. That the PMC should put contingency plans in place to account the potential under or over commitment within PA3 depending on the outcome of the Major Projects Appraisal of Next Generation Access .</p>	<p>Agreed. Issues arising from this are considered in more detail as part of the attached Priority 3 Position Paper. The NGB offer letter has been issued and accepted.</p>	
<p>9. That the PMC should give further consideration to a greater contribution of and benefits to the third sector from the Programme</p>	<p>The principle of engaging the third sector and maximising its contribution to programme objectives where appropriate investment opportunities exist is accepted. However, the extent to</p>	

	which this principle can be further embedded will depend on the agreed outcomes from the Priority 4 SIF Review where the Partnership will need to agree specific priorities to be commissioned for the remainder of the programme	
10. That the PMC should again review PMC and sub-group representation in terms of their gender profiles and undertake action to redress the balance as a matter of priority.	Agreed. There is an ongoing review underway managed by the Programme's Equality & Diversity Adviser. The PMC were updated on the situation at the May PMC and it was noted that the exercise would be repeated in December 2010.	
11. Target 003 (number of environmental goods and services enterprises assisted) should be reduced by 25% and Target R07 (Gross jobs in environmental sectors should be reduced by 50%, but both should be kept as stretching targets. These reductions are suggested as both appear to have been set too high at the outset and are very unlikely to be achievable	Agreed	
12. Workspace targets should be reviewed using up-to-date evidence in the form of an Employment Land Study to ensure that the amount identified is not excessive for current and projected demand.	The outcome of the SIF review conclusions will have a bearing on whether and by how much targets may need to change. Time does not permit the commissioning of a programme based employment land study to inform future investment opportunities. Due account will need to be taken of existing documentation and evidence already in place.	
13. Specific targets should be reviewed to ensure the Programme is fully capturing all that has been delivered particularly within Priority 2, Priority 4 and BREEAM targets.	The Strategic Environmental Assessment (SEA) Monitoring Strategy sets out a process for monitoring environment impacts across the programme. Sufficient resource should be allocated to delivering the objectives of the strategy. Any targets relating to BREEAM are covered within the Programmes' BREEAM/Sustainable Construction Policy approved by the Cross Programme Environment Advisory Group. This policy also details the requirement for	

	CEEQUAL delivery in relevant projects.	
14. The target of 10% businesses supported to be owned by under-represented groups should have its remit extended to include residents from disadvantaged areas as measured through the Index of Multiple Deprivation, 2007 (which is in keeping with the Competitiveness definition of under-represented groups).	The PMC discussed this recommendation at the meeting on 28 October and although recognising the challenge in meeting the existing target, did not wish to extend the definition and water down the purpose of the target. The pockets of severe deprivation in Cornwall were noted, it was felt the extent to which these areas could be assisted by ERDF were part of the challenge for the SIF activity.	
15. The PMC should consider the roll-out of SWRDA's net zero carbon methodology in the appraisal process. The PMC should consider the resource implications of applying the methodology and how the difference the programme makes can be measured without burdening project delivery partners.	Agreed. Work is underway between the RDA, CDC, CC and CUC to determine the most appropriate way forward. This will require resourcing by the Programme, however, it also provides opportunities for exploiting the 'carbon compass' to the wider benefit of Cornwall businesses and non-ERDF investment activity.	
16. That the PMC undertakes a review to speed up the commissioning process. Where match funding is available from the RDA, a more streamlined approach is required and there may be the potential to get outside organisations (e.g., local authorities) to provide more support with project development which would also help to address the RDA capacity issue.	Given the wind-down of the RDA Network, it is very unlikely that any new match funding will be provided from the RDA Single Pot after end March 2011. In addition the Government is considering the framework for delivery and transition to new arrangements for management of ERDF in England by April 2011. It is not therefore appropriate to undertake a review of processes at this time. A review of capacity funded through the programme will however be undertaken to ensure future delivery requirements can be met and sufficient investment is secured to meet future N+2 targets. Underpinning this will be a need to ensure compliance and audit requirements are fully met in respect of commissioning and appraisal activities and that appropriate demarcation between the two continues to be respected.	

<p>17. That the programme management team should review the relationship between commissioning and appraisal to ensure that it is as time and cost effective and efficient for applicants and commissioning and appraisal staff.</p>	<p>The Government is considering the framework for delivery and transition to new arrangements for management of ERDF in England by April 2011. It is not therefore appropriate to undertake a review of processes at this time.</p>	
<p>18. That the PMC adopts the recommendations made in Chapter 6 to improve monitoring and the collation of performance management data:</p> <ul style="list-style-type: none"> • Technical Assistance <ul style="list-style-type: none"> • Output targets should be set and monitored annually, to include: establishing monitoring databases; evaluation reports; publication/ dissemination of information and guidance; meetings; and publicity and communications events (the latter are already identified within the AIRs) ○ Result targets are set where appropriate against the output targets. These should be changes in behaviour, capacity and performance as a result of the activity that delivers the outputs ○ TA spend is monitored and reported 	<ul style="list-style-type: none"> ○ A separate monitoring form for equality, designed to be an annual qualitative data capture exercise, has already been developed and has recently started to be used. Further work will be done to see the merits of integrating it into, or separating it from, the new wider project monitoring processes. Quantitative data capture is also being carried out annually, based on output data. Projects only have to select and report against the equality indicators that are relevant to their project, however, it is possible to revise these <p>The process for environmental monitoring is detailed within the Programmes Strategic Environmental Assessment (SEA) Monitoring Strategy as agreed by the Cross Programme Environment Advisory Group. This puts a significant priority on investment level carbon monitoring using the RDA 'Carbon Compass,' as discussed previously. At face value, revising environmental indicators isn't as easy as it sounds. The SEA Monitoring Strategy sets out the approach for monitoring, as detailed above. This would need to be resourced.</p> <p>CLG's proposals for use of Technical Assistance as part of the ERDF Transition arrangements are not yet known, making it sensible to wait before deciding appropriate outputs and results for Technical</p>	

<p>against the strands of TA activity in the OP e.g. developmental, management information, evaluation, partnership and communication (with defined sub categories as appropriate)</p> <ul style="list-style-type: none"> • Equalities and Diversity CCT - the programme must monitor and report achievements annually against the equalities and diversity targets in the OPs (including the target for 50% of PMC and sub-committee members to be women). Additionally, the long list of programme equalities indicators should be reviewed to provide a shorter list of core, SMART indicators which all projects are monitored against, to enable consistent monitoring of performance across the programme • Environmental CCT - the long list of environmental performance indicators in the monitoring strategy should be reviewed to provide a shorter list of core, SMART indicators which all projects are monitored against, to enable consistent monitoring of performance across 	<p>Assistance investment. All contracted Technical Assistance investments have to provide quarterly progress reports, reporting against the aims in their individual business plans. This information is helping the review of Technical Assistance and capacity investments commissioned by the PMC at 28 October meeting. In turn it is hoped that the review's conclusions will help to inform CLG's proposals for Technical Assistance.</p> <p>Collection of output and result information by spatial area is possible for specifically located projects and could be undertaken, perhaps with assistance from the CDC SIF Team. However, it is important to include the achievements of Programme-wide projects in an assessment of this kind and disaggregation by geographical area would be more complex. To properly understand the combined impact of investment on the geographical area in the context of Programme objectives an evaluation exercise would need to be undertaken. The agreed evaluation framework for the Programme will not be delivered as expected as South West RDA's strategic evaluation project will not be going ahead. The future of evaluation for the Programme has not yet been decided – this falls within the remit of Technical Assistance and therefore CLG's proposals are awaited.</p>	
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<p>the programmes.</p> <ul style="list-style-type: none"> • Spatial activity: It must be possible to report output and result achievements for the spatial priority areas in both programmes. As well as for the Western Peninsula area in the Competitiveness programme, this should be for each SIF area in both Programmes. 		
<p>19. That the PMC adopts the recommendations made in Chapter 6 to improve monitoring and the collation of performance management data to aid value for money assessments. The details of the recommendations are provided in the chapter.</p>	<ul style="list-style-type: none"> ○ CLG will put in place their own requirements for means of monitoring and performance management as part of the transition arrangements. It is not therefore appropriate to review processes at this time. 	
<p>20. That the PMC considers how the programme can more effectively communicate its objectives and work. Articulating the Programmes' role and their ability to deliver will become increasingly important in a more challenging funding environment. The programme needs to be able to demonstrate to a wide range of stakeholders from the public and private sectors the difference it is making and how it can support local and sub-regional priorities.</p>	<p>The PMC Chair specifically raised this point at the meeting on 28 October and invited suggestions from PMC members regarding how to best communicate through their individual networks. A semi-permanent display has been proposed for County Hall, which would be visible to public visitors. The Annual Conference is due to take place on 17 March and this could be an opportunity to extend the scope of the audience</p>	
<p>21. In the face of match funding cuts the PMCs need to take a strong leadership role in identifying and lobbying potential new (and continuing) funding partners and ensuring they have a good understanding of the value added by the programmes in order to secure future resources. This will need to include evidencing the impact and outcomes of the ERDF programmes in supporting local</p>	<p>Agreed. This will need to be considered alongside the previous recommendation and in view of potential changes to delivery arrangements including Chairmanship of the PMC post GOSW closure. Issues at Priority level need to be clearly understood to ensure communications activity is targeted and helps to fill any identified gaps for future investment</p>	

and sub-regional policy objectives.		
22. That the PMC ensures continued effective communication of the objectives of the programmes and the impacts at local and sub-regional levels in order to engage new funding partners.	Agreed.	
23. The ERDF programmes should continue to explore opportunities for closer joint working between ERDF and ESF in funding projects where this is appropriate.	Agreed. The Secretariat proposes that it becomes mandatory to have ESF colleagues engaged in all future Commissioning team activity to ensure appropriate links are made and opportunities maximised.	

The Operational Evaluation Programme was withdrawn during 2010, due to the withdrawal of its match funding – the Programme had been designed to draw upon the evaluation activity being undertaken for Single Pot investments. There is no straightforward replacement for this match funding and it is unlikely the programme of evaluation can be delivered as envisaged in the Technical Assistance application. DCLG will be reviewing how to deliver evaluation as part of their national review of Technical Assistance in 2011, the review is expected to be underway by the second quarter of 2011. Compliance with Regulations will be paramount in forthcoming proposals.

As predicted in the 2009 Annual Implementation Report, the level of Lisbon compliance has risen significantly from 59% in 2009 to 81.95% in 2010. Much of the early investment in non-compliant activities has enabled the development of activity that has now received ERDF investment and thereby led to the increase in Lisbon compliance. The current ratios of investment mean the Programme is meeting the Lisbon target set for itself in the Operational Programme and significantly exceeding the regulatory Convergence target of 60%.

Forecast achievement of outputs and results does not correspond to the proportion of the Priority budgets that have been contracted to date, although there is a significant rise in forecast achievements since the 2009 Report. It is unlikely that all the Programme targets will be met. Individual investments have been assessed for value for money and independently provide robust cases for the value they offer, but the cumulative effect is that ratio of forecast achievement falls behind contracted levels of Priority budgets. The PMC agreed the creation of a Delivery Driver Group, whose role is to scrutinise commissioned activity and ensure that remaining Priority budgets are targeted at those investments that offer most in terms of delivery of Programme targets to ensure that maximum possible value is obtained. It appears that the recession coupled with the level of capacity building still required in many areas and the impact of providing this capacity support rather than being able to focus solely on job creation has affected forecast targets. The 2010 Programme Review also identified this situation. It is a positive sign that the level of activity deemed Lisbon compliant has increased as forecast in the 2009 Report as this has had a positive impact on the level of results the Programme expects to achieve.

2.1.10 Cross Cutting Theme - Environmental Sustainability

Environmental Strategy

In May 2010 the Environmental Advisory Group took the opportunity to re-present to the Programme Monitoring Committee the environmental strategy for the Programme. The key message was that environmental sustainability remained a core objective of the Programme. ERDF investment would help work towards reducing emissions and conversion to a low carbon economy. The idea was not to simply invest in individual projects, but to invest in the future. The PMC heard that the challenge was not just about carbon but also delivering economic resilience and social prosperity within the limits of wider natural resources, biodiversity, ecosystems and demographic change, which meant making all Programme partners environmentally literate.

The Advisory Group explained there was a need to transition from RELATIVE savings to ACTUAL savings. A truly low carbon economy had to go beyond resource efficiency. Commissioning meant that Programme partners can target investment. The shared responsibility of this approach was emphasised to the PMC. Once investment was made what followed was ensuring that environmental impacts could be effectively monitored. The aim was to invest in the bigger picture, ensuring that environmental lessons learnt from one activity are passed onto other areas, other institutions and mainstreamed into normal processes and activity.

2010 Programme Review

The 2010 Programme Review resulted in a number of recommendations relating to the environmental ambitions of the Programme. The table below sets out those recommendations and the responses and action agreed by the Programme Monitoring Committee.

Recommendation	Response	Action
2. The PMC should re-confirm in the review of the Operational Programme the ultimate objectives of the programme in relation to supporting the transition to the low carbon economy. Priority should be given to investments in the low carbon economy, along with those supporting the restructuring of the economy, if the programme faces a fall in available resources as a result of cuts in match-funding.	The environment cross cutting theme is designed to ensure that programme investments support wherever possible the drive towards a low carbon economy. At the PMC workshop held in July it was clear that partners wish to maintain the momentum and retain the focus on low carbon initiatives. It is too early to say whether cuts to match funding will have an adverse impact in this respect. A number of low carbon focussed investments are in the commissioning pipeline and should support the programme's ambitions in this context.	PMC members wanted to strengthen commitment to assisting change to low carbon economy. Secretariat will work with project applicants to maximise the environmental sustainability and positive environmental activity in proposals. EAG will continue to highlight this issue in their consideration of applications.
3. That the PMC addresses weaknesses arising from the level of detail in the Operational Programme, by providing [...] an impact indicator for reduction in carbon emissions.	Setting carbon emission targets is too sophisticated for the Programme at this stage. It is hoped that the Carbon Compass accounting system will	See R15

	be further developed into a more user friendly tool and will help measure carbon emissions and build up a database of what projects can do. This could help determination of targets in future.	
11. Target 003 (number of environmental goods and services enterprises assisted) should be reduced by 25% and Target R07 (Gross jobs in environmental sectors should be reduced by 50%, but both should be kept as stretching targets. These reductions are suggested as both appear to have been set too high at the outset and are very unlikely to be achievable	Agreed	Changes to the Operational Programme will be negotiated with the EC. Secretariat to lead.
13. Specific targets should be reviewed to ensure the Programme is fully capturing all that has been delivered particularly within Priority 2, Priority 4 and BREEAM targets.	The Strategic Environmental Assessment (SEA) Monitoring Strategy sets out a process for monitoring environment impacts across the programme. Sufficient resource should be allocated to delivering the objectives of the strategy. Any targets relating to BREEAM are covered within the Programmes' BREEAM/Sustainable Construction Policy approved by the Cross Programme Environment Advisory Group. This policy also details the requirement for CEEQUAL delivery in relevant projects.	ERDF Secretariat and ERDF Appraisal Team will oversee development of projects and ensure appropriate environmental sustainability targets are built into proposals. EAG will review this for each proposal before endorsing investments.
15. The PMC should consider the roll-out of SWRDA's net zero carbon methodology in the appraisal process. The PMC should consider the resource implications of applying the methodology and how the difference the programme makes can be measured without burdening project delivery partners.	Agreed. Work is underway between the RDA, CDC, CC and CUC to determine the most appropriate way forward. This will require resourcing by the Programme, however, it also provides opportunities for exploiting the 'carbon compass' to the wider benefit of Cornwall businesses and non-ERDF investment activity.	Low Carbon Unit within Cornwall Council's delivery arm is following up. It is hoped that in 2011 further development of the carbon compass will mean it can be used as part of the appraisal and monitoring of the Low Carbon Grant Initiative that is in development.
18. That the PMC adopts the	o The process for	See Environmental

<p>recommendations made in Chapter 6 to improve monitoring and the collation of performance management data:</p> <ul style="list-style-type: none"> • Environmental CCT - the long list of environmental performance indicators in the monitoring strategy should be reviewed to provide a shorter list of core, SMART indicators which all projects are monitored against, to enable consistent monitoring of performance across the programmes. 	<p>environmental monitoring is detailed within the Programmes Strategic Environmental Assessment (SEA) Monitoring Strategy as agreed by the Cross Programme Environment Advisory Group. This puts a significant priority on investment level carbon monitoring using the RDA 'Carbon Compass,' as discussed previously. At face value, revising environmental indicators isn't as easy as it sounds. The SEA Monitoring Strategy sets out the approach for monitoring, as detailed above. This would need to be resourced.</p>	<p>Sustainability Report</p> <p>Low Carbon Cornwall are leading on securing means of further development of Carbon Compass (see R15)</p>
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Supporting Domestic Energy Efficiency and Microgeneration Sector (SDEEMS)

The EC had made an adjustment to the ERDF Regulations, allowing a relaxation in the eligibility for assisting energy efficiency in social housing for up to 4% of a Programme's value, where there was scope within an Operational Programme. Partners had agreed not to seek a formal modification to the Operational Programme and wished activity to still focus on GVA outputs, so a scheme was developed that generated domestic energy efficiency benefits through support for energy efficiency businesses.

In reviewing the design of the scheme that emerged through the commissioning process CLG and South West RDA had concluded that the scheme was not eligible under the 4% relaxation proposed by the EC. To design an eligible scheme would mean negotiating a change to the Operational Programme with the EC, so it was not proposed to proceed with this approach. The proposal was still eligible as a normal application through the Programme, so it was proposed that the applications that had come forward could proceed through normal appraisal channels. Further analysis of the proposals will be carried out by the Delivery Driver Group in 2011 as part of its review of all commissioned proposals to determine those that offer the best option for delivering Programme objectives.

Environmental Sustainability Report

Work was undertaken at the end of 2010 to produce a report providing information on the environmental impact/carbon intensity of projects funded through the ERDF programme by December 2010. The report looked at the two ERDF programmes in the South West region: Cornwall & Isles of Convergence and South West Competitiveness. Means of resourcing updates to this analysis will be discussed as part of the transition arrangements for management of the ERDF Programmes.

Material

The report looked at a total of 69 endorsed/contracted Convergence projects and was based on information provided by the relevant project teams.

Method for programme reporting

All contracted ERDF projects were listed and assessed to include the categories and indicators detailed below, enabling monitoring under the following environmental components:

Generic

1. Capital/Revenue investment?
2. Investment demonstrates delivery of environmental standards beyond statutory minimums? (*reducing the environmental intensity of investments*)
3. Investment demonstrates delivery of environmental enhancement(s) beyond that which would have occurred had the investment not taken place (*investment has a net positive environmental outcome*)
4. Investment seeks to support or develop the environmental goods and service sector?
5. Does the investment have a significant negative or positive impact on any one or more the 11 One Planet Living Principles (detail)?

Capital Investments (Buildings)

1. BREEAM eligible scheme?
2. Required BREEAM accreditation achieved?
3. Historic building refurbished / enhanced?
4. Redundant building developed for new economic use?
5. Brownfield / Greenfield?

Capital Investments (Non-building Infrastructure)

1. Scheme built to environmental accreditation scheme non-BREEAM i.e. CEEQUAL?
2. Enhancement to sustainable transport alternatives, green space, historic space, community use, other?
3. Brownfield / Greenfield?
4. Previously developed land prepared/developed?

Other:

1. Number of Sustainable integrated Development Strategies Prepared?

Revenue Investments

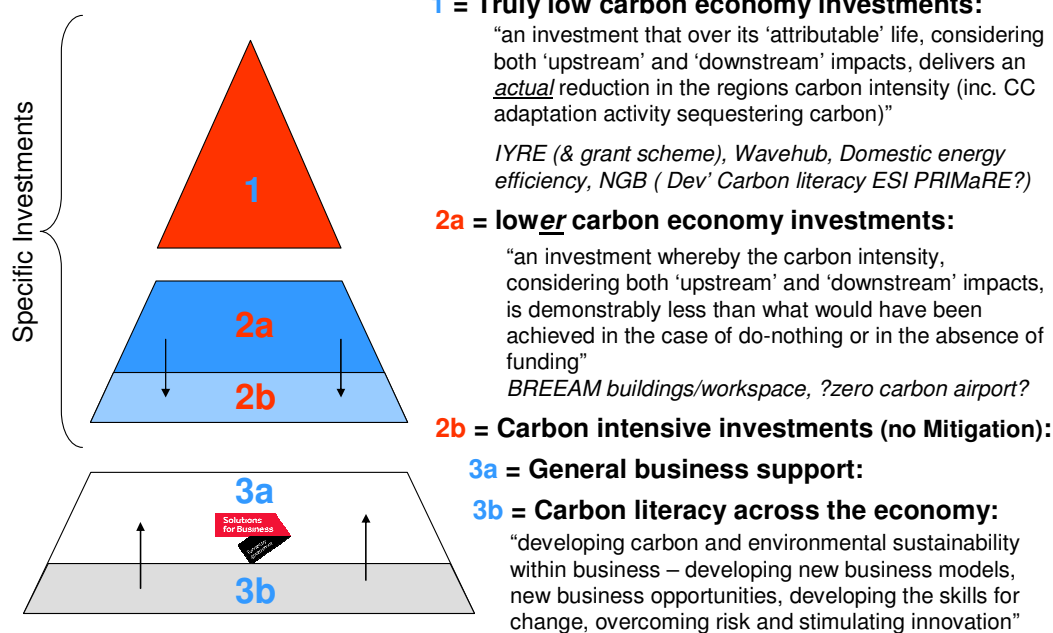
1. Environmental Goods and Services Business targeted or assisted?
2. Business advised on improving their environmental performance?
3. Businesses integrating new environmental management systems (more relevant at an investment level i.e. IYRE?)

Approach to delivering environmental sustainability

In acknowledging that economic growth is constrained by finite environmental limits, the RDA through committing itself to a net zero carbon investment portfolio (focusing on RDA specific investment over ERDF) has agreed to use carbon dioxide (and its equivalents) as an environmental proxy in indicating the 'environmental intensity' of the investments it makes.

The developing approach adopted by the South West RDA has been, to develop a carbon accounting methodology that can be used to assess the carbon intensity of an investment before it is commissioned or contracted. The developing methodology seeks to establish both the 'upstream' (the carbon impact associated with construction and implementation phases of projects) and 'downstream' (operational carbon impacts) of both revenue and capital investments. Based on this methodology the following carbon triangle has been developed to rate our investments accordingly.

Targeting low carbon economy investment....?



The aspirations of monitoring

The Operating Programme (OP) of the Convergence Programme clearly details that the movement towards a low carbon economy is a clear strategic objective of Programme delivery. Additional to this strategic objective and wider acknowledgement of using the environment as an economic driver, the Programme’ also indicates the wish to work towards the principles of one planet living. These are significant and laudable objectives of the Programme yet there is no clearly defined approach to monitoring performance against these objectives.

When considering the Programme’s remit and definition of environmental sustainability, the Environment Advisory Group (acting on behalf of Convergence and Competitiveness) decided to utilise an adapted version of the WWF’s on-planet-living principles:

1. reducing carbon intensity of investments
2. reducing waste
3. reducing travel and increasing the use of sustainable transport alternatives
4. utilising local and sustainable materials
5. utilising local and sustainable food
6. sustainable use of water
7. managing natural habitats and wildlife
8. cultural and heritage
9. equity and fair trade
10. health and social inclusion
11. policies, process and planning

In addition to the wide range and remit of environmental sustainability there are also other considerations that need to be regarded when considering the development of a package of ‘all encompassing environmental indicators e.g.

Revenue/capital

Different investments have a greater clarity over their possible environmental impacts and their ability to monitor such impacts i.e. the environmental implications of a infrastructure investment are arguably more

apparent than that of a knowledge exchange investment between universities and businesses

In response to the activities of previous programmes it is felt that some of the specific indicators and results are superseded through either the requirements of the current programmes to deliver specific accredited standards (BREEAM or EMS) or will be achieved through specific targeted investments (Improving Your Resource Efficiency and other Solutions for Business products).

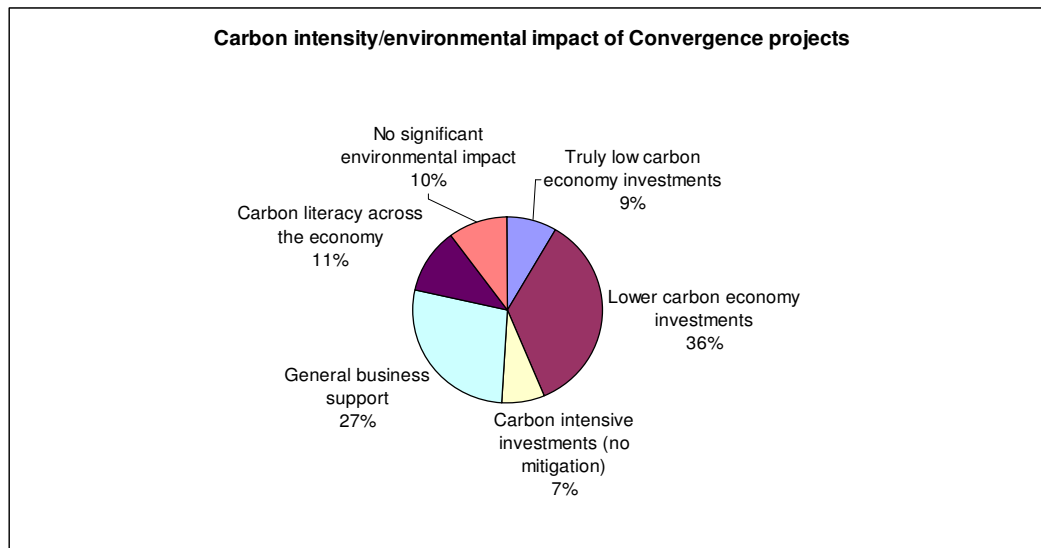
For example: improvement to wildlife habitats, the installation of renewable energy, the management of grey water, business travel plans, buildings refurbished etc are all key or mandatory requirements of BREEAM 'excellent' accreditation, therefore assuming this level of accreditation is achieved one can assume such environmental enhancements (in addition to others) will also be achieved. Additionally, carbon/waste/water saving associated with business support, new businesses with products in the environmental goods and service sector will be collated through the output reporting system (compiling information from a range of business support providers and Solutions for Business products).

Results

This section of the report seeks to detail a proportional and pragmatic approach to monitoring environmental sustainability within the existing Convergence and Competitiveness Programmes' whilst also meeting the requirements of SEA Monitoring. It draws out various conclusions based on the data for both convergence and competitiveness projects as listed in the spreadsheet of information (*SWRDA ERDF Environmental Monitoring Spreadsheet Dec 2010*). The approach detailed below does not negate:

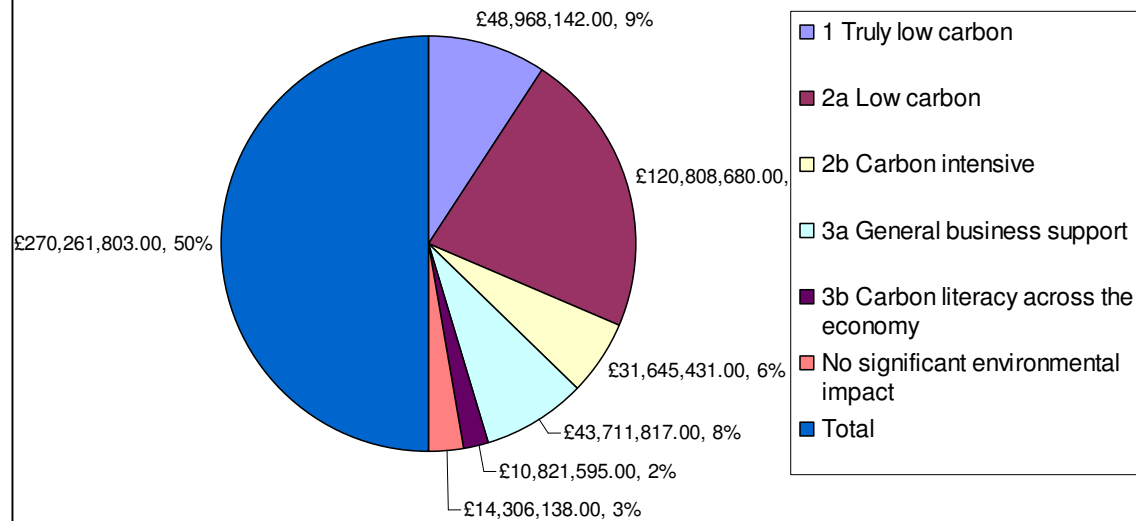
the opportunity for individual investments to provide, where possible and relevant, greater levels of detail regarding environmental impacts opportunities at a project level.

Through using the methodology to assess ERDF investment it is hoped to ascertain a greater understanding regarding the true carbon impact of the Programmes' and their contribution towards the delivery of a low carbon economy. Whilst the methodology only concerns itself with carbon (and its equivalents) it is felt that this focus can be used as a proxy indicator with regard to wider environmental impacts.

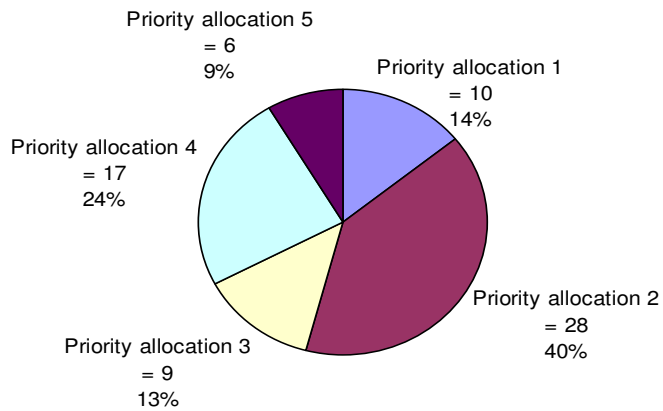


It can be concluded that those projects graded above as 2a (low carbon) or 1 (truly low carbon) have some positive impact on at least one or more of the above listed one planet living principles.

Value of convergence projects by carbon grading



Convergence projects by priority allocation



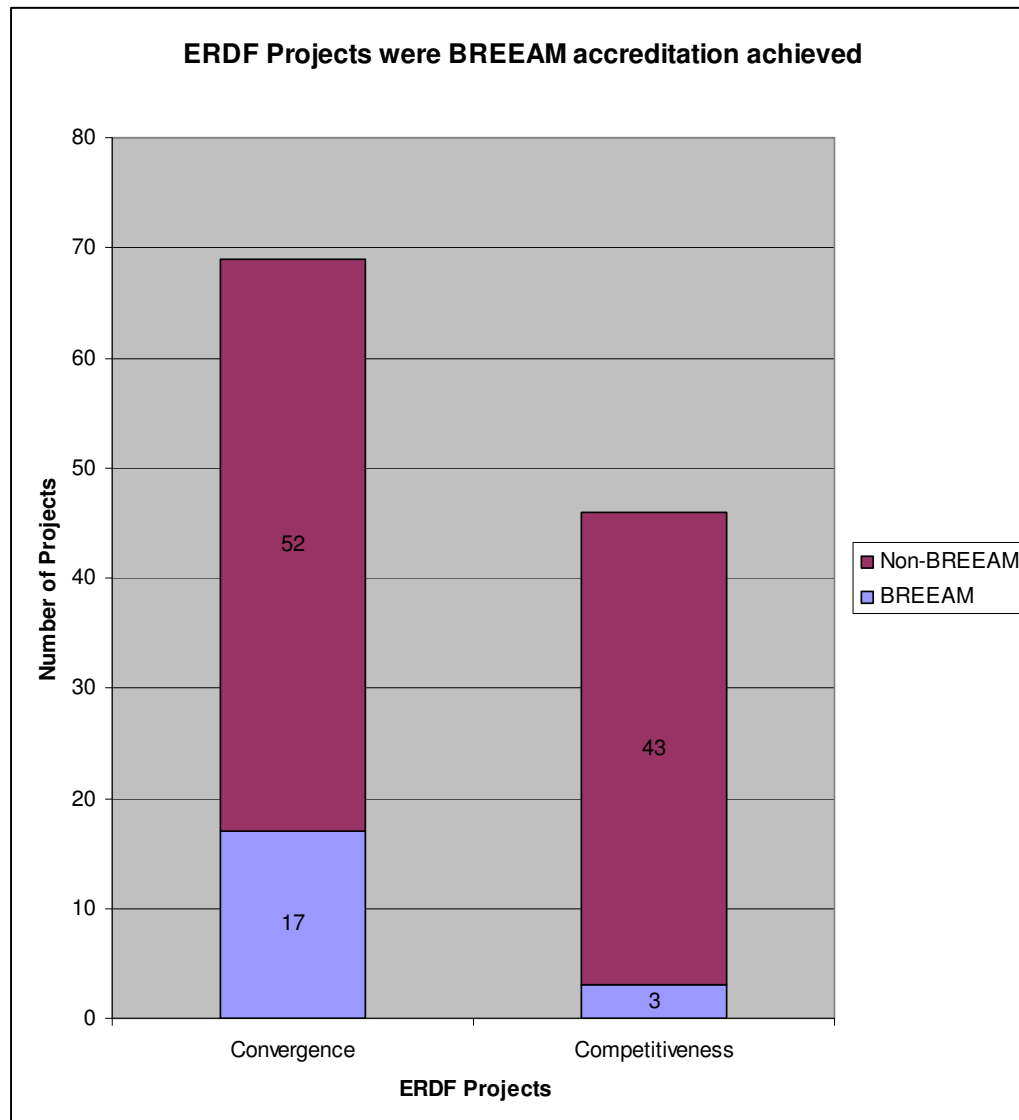
Priority allocation 1 = Innovation, research & development

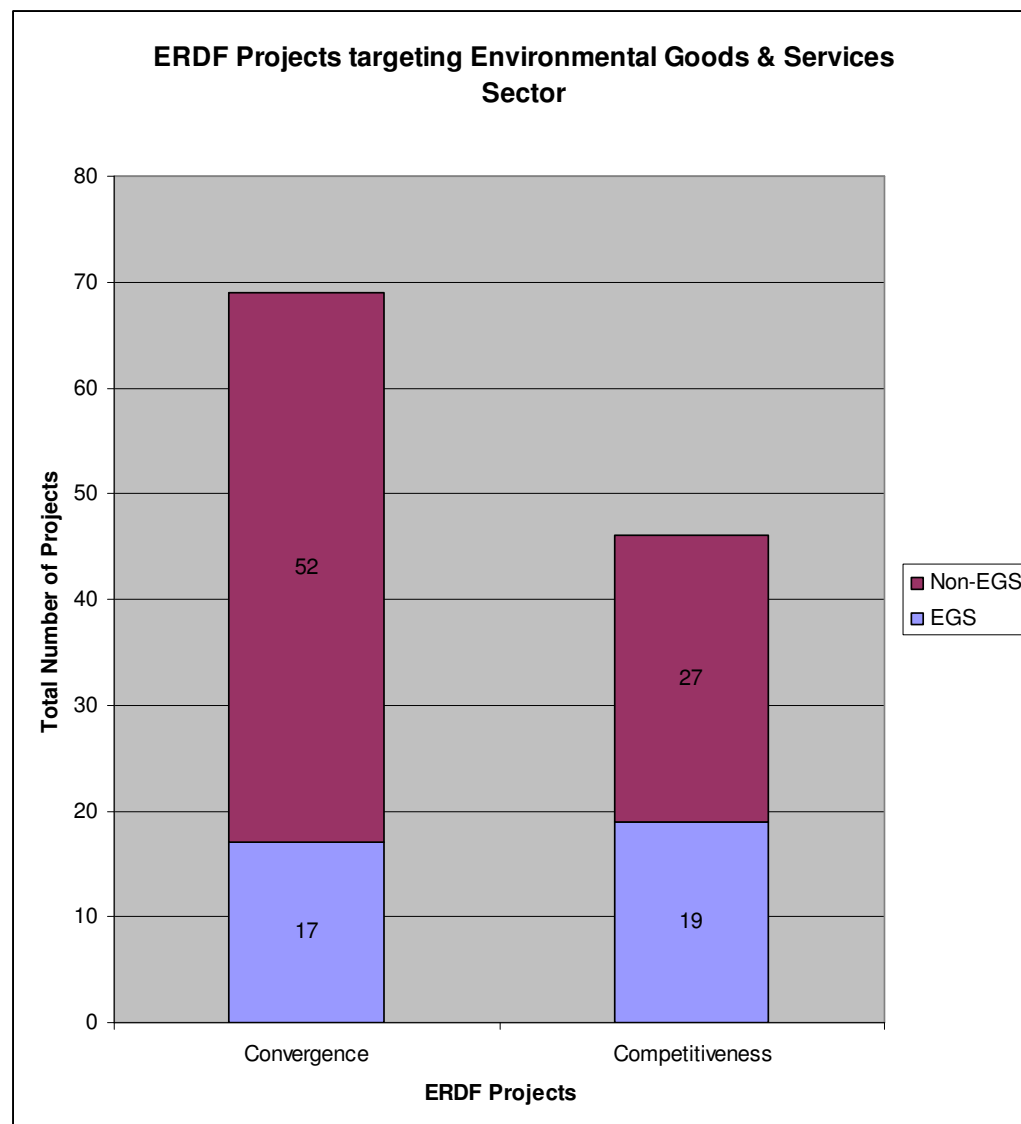
Priority allocation 2 = Enterprise & investment

Priority allocation 3 = Transformational infrastructure

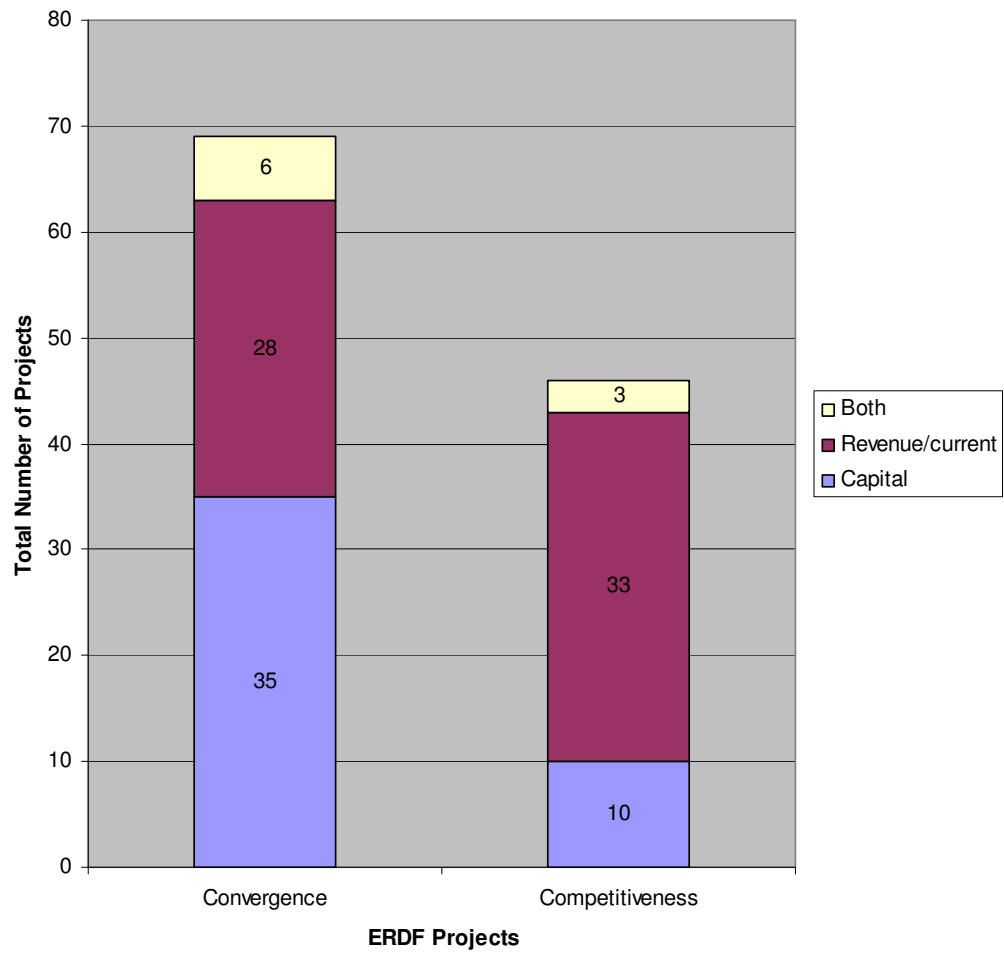
Priority allocation 4 = Unlocking the economic potential of a place

Priority allocation 5 = Technical assistance

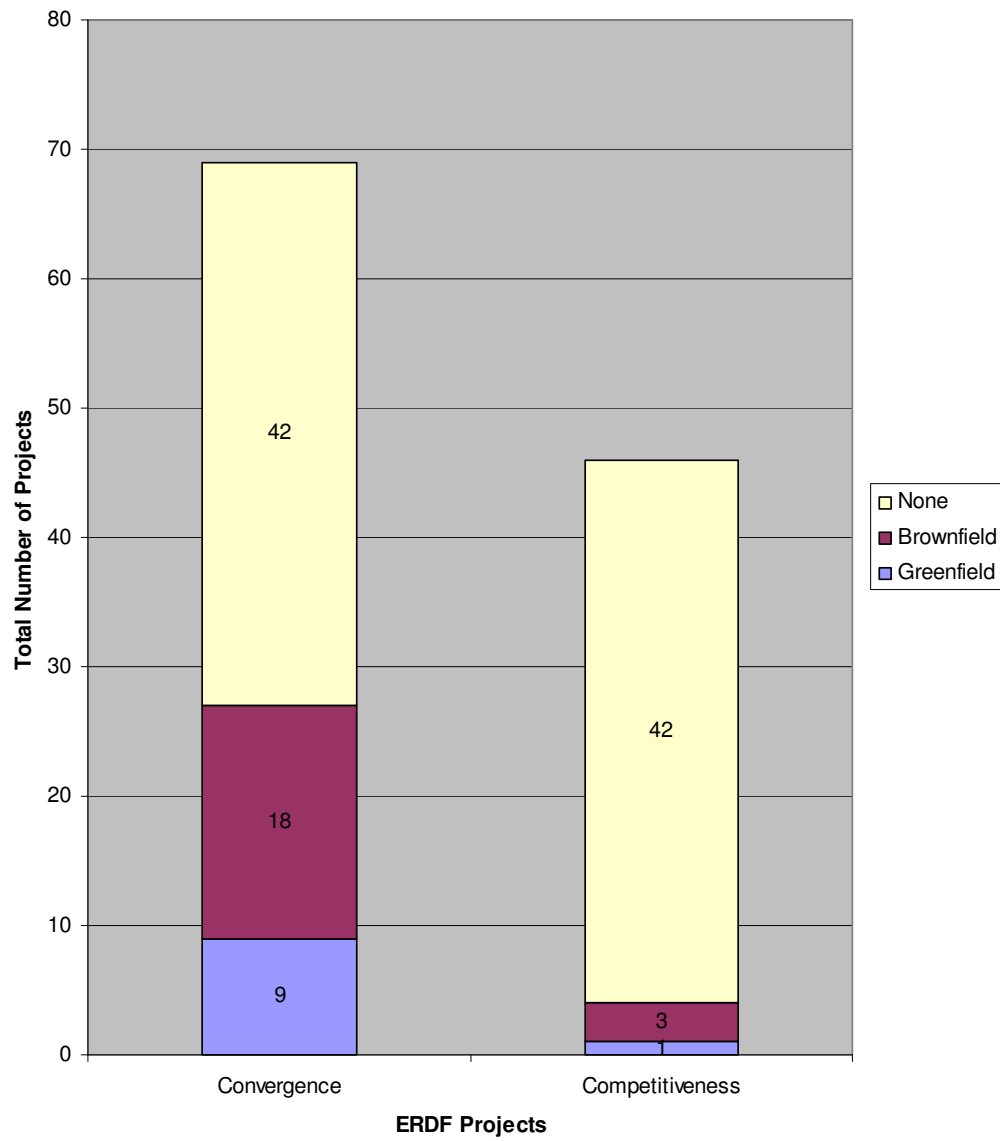




**ERDF Projects
capital & revenue split**



ERDF Projects
Proportion of Brownfield land utilised over Greenfield



Summary/conclusion

A total of 30 Convergence 'environmental' projects were identified as low carbon or truly low carbon investments. This contributes to approximately 54% of the total funding respectively. These sums are not representative of completed projects, since most are still under way at the time of review.

2011

The Cross Cutting Theme Manager left the ERDF Secretariat in November 2010, but was not directly replaced due to the upcoming transition of the ERDF Secretariat from the RDA to DCLG. The RDA Environment Team have provided support in completing the environmental sustainability monitoring exercise and advice on capital build was available from the RDA's Professional Services Team. This resource will not be available ongoing and there will be a need in 2011 to consider how the environmental cross cutting theme is supported as part of the national review of resource that DCLG will be undertaking.

In the meantime the Programme Monitoring Committee have re-affirmed their commitment to developing a low carbon economy. All investments continue to be asked to demonstrate their commitment to environmental sustainability and the Endorsement Advisory Group test this as part of their peer appraisal. There are also a number of specifically low carbon investments – some contracted as highlighted by the Environmental Sustainability Monitoring Report above and others that are in development. The development of the Cornwall and Isles of Scilly Local Enterprise Partnership (LEP) should further help the Programme's ambitions for environmental sustainability as the drive for a low carbon economy is a key feature of the LEP strategy.

2.1.11 Cross Cutting Theme - Equality and Diversity Issues

Business Process

The equality impact assessment process embedded during 2009 continued into 2010 and provided the key means of identifying potential impact on equality groups. As these were relatively new processes in 2009, their initial quality needed to be improved and in 2010 more has been done in working directly with applicants to enable them to adhere to the Operational Programme expectations and embed equality into all aspects of the project. The equality impact assessment form itself was revised slightly to reflect user feedback, and has been implemented for use within the Programme. There has been a sharper emphasis on action planning falling from the assessment, and creates a more focused document from which to monitor activity against commitment - this has increased accountability within projects.

The Social Sustainability Toolkit was added into the business process during 2009, but this was only piloted with a few projects before the end of the year. During 2010 this became properly embedded into the business process, and has proved to be a positive step forwards. A key function of this is to provide the secretariat with detailed inclusive design information about the infrastructure or capital build, upon which to base investment decisions. It has also meant that the secretariat can be more precise in its requirements of the quality of the build being funded through the Programme. It can also establish whether any investment offer should be conditioned to ensure access solutions are contractual.

In terms of business process management issues, in the second half of 2010 the Cross Cutting Themes Co-ordinator post was removed from the secretariat structure, which has impacted on capacity of the secretariat to manage cross cutting theme issues.

Communications

The Convergence website has capacity to include a concise explanation of the equality impact of an investment. The principle is to provide some brief information and to post the equality impact assessment which provides transparency about the investment. This work began in 2010 but will be developed further into 2011.

Training, awareness raising, toolkits and guidance

Across the board, there is a lack of detailed understanding of equality issues by investment leads which often results in inadequate weight being given to the equality cross cutting theme. In order to maintain an adequate standard for the theme, a focus of 2010 was to raise its profile, particularly within workspace projects and also within areas of investment focus such as the Tremough campus. This was achieved through close working with investment leads (one-to-one meetings) in order to raise their understanding of equality issues and ensure adequate commitment to delivery in business plans. It is clearly an ongoing priority for the next year in the business development phase, but has also proven to be critical during the early stages of project delivery with the requirement to deliver commitments proving challenging for some projects.

Ad hoc equality training and advice is also provided to secretariat commissioning managers and case officers to ensure they are aware of the latest equality information. This is to build capacity within the secretariat and provide specialist support where required.

The Social Sustainability Toolkit has been fully implemented as part of the standard business planning process in the Programme and many more investments have now completed this. While it has enabled better appraisal conclusions, its primary function is to take investment architects and design teams through the thought processes around inclusive design to maximise the accessibility of the building. Therefore it has a dual role of constructive education on equality and appraisal. Training on how to use the Toolkit took place early in the year for targeted external developers / architects / consultants who were likely to be involved within the Programmes. This has begun to work well within 2010 and, based on the initial promise it has shown, the Toolkit will be continued into 2011. As developments have been constructed, lessons have been learnt (for example the first Convergence building constructed on the CUC Tremough campus has provided a lessons learnt opportunity for future developments on the same site, and a day was held for project leads to walk around and identify positive and negative aspects of construction to feed back into their own projects). Feedback has shown that some amendments will be needed to make the process more user-friendly (revision planned for early 2011). However, several developments have reported how it has raised their awareness of access issues in capital developments and led to their buildings being designed to be more accessible.

Areas of focus and challenge

Working with workspace projects, primarily private sector workspace, to maintain high quality standards within capital build developments has been a significant area of focus and challenge. This has in part been addressed through the use of the Social Sustainability Toolkit, and through close working with investment leads early during development.

A continued specific area of focus has also been the chronological improvement in, campus-based Convergence investments at Tremough. The first building was constructed on the campus and meetings with the project leads took place to benefit from lessons learnt to feed into later constructions. This has been well-received and a seminar for design teams, architects and contractors of proposed constructions is planned for 2011.

European Programmes Equality Advisory group

The European Programmes Equality Advisory Group (covering both ESF and ERDF programmes), chaired by Equality South West, continues to be a critical friend to the Programme. The Group has received presentations from investments over the year which allowed discussion of specific issues within individual investments. It has also received information about strategic equality progress across the Programme and provided direction for this, including signing off the equality monitoring procedure. The Advisory Group continues to meet quarterly in its role as support to the PMC in achieving successful cross cutting theme integration into the Programme.

Monitoring and Indicators

Data collection and monitoring has been a focus and an annual, investment-level, process was established for collecting individual monitoring data with regards gender, age, disability and ethnicity. An equality monitoring strategy for the Programme, setting out the procedure gone through to arrive at the current monitoring processes, was developed half way through the year. This set a way forward and will be reviewed in 2011.

As a result of this strategy and in order to improve investment level equality monitoring (noted as an area for improvement during the mid term review), a programme of equality monitoring visits to investments was initiated in the latter half of the year. A process was established whereby a template resulting from the discussions at the meeting is completed, capturing qualitative data on the progress of the investment. This is signed off by both parties and held within the project files. It has a dual function of capturing investment level progress to date, and a timely reminder during delivery of commitments made around equality. It provides opportunity to focus on relevant issues that have arisen within the project, and to identify further actions that need to be carried out.

As the equality indicators document created in 2009 has become embedded, it has become more evident that, rather than literal interpretation, a holistic approach in encouraging a more rounded monitoring process is more constructive. The indicator choice process has been embedded into the business planning process and is committed to at offer letter stage. These indicators will be kept under review to ensure that they remain fit for purpose.

Equality Aims within the OP

❖ Gender Balance of PMCs

An agreed target within the Operational Programme is that the “proportion of Programme committee and sub committee members who are women” should be 50%. It was concluded in 2009 from a survey undertaken that there were imbalances in the membership of the Programme’s decision-making groups, particularly around gender. As a result, a letter was drafted from the PMC Chair to all organisations, to raise awareness of the issue and ask organisations to review their nominees in light of the survey. The draft letter also suggests some practical methods of trying to ensure that a wide variety of nominees are selected. As a result of the letter only minor changes were identified which did not significantly address the imbalance of the group. It was decided to repeat the survey in December 2010. However, with the closure of, and changes to, a number of partner organisations in addition to CLG’s proposed review of PMC structures in 2011, a decision was made to postpone the repeat survey. Rather than carry out an exercise that was likely to be changed in 2011, it was felt that a more productive approach was to work with CLG to ensure that new PMC arrangements adequately reflect the importance of a more even gender balance. This work will be ongoing into 2011.

❖ Business support targets

Business Link delivers the Information, Diagnostics and Brokerage function, has a direct role in addressing the Programme’s business support commitments. However it is also the access channel for all of the business support products not directly delivered by Business Link. As a result, a considerable amount of work and time has been invested in working closely with Business Link to ensure that their marketing, outreach, event delivery, communications and data collection methods are equality-proofed and appropriate. This work began in 2009 and has been reinforced through 2010. These relationships continue to be constructive and should impact positively on the percentage commitments around majority business ownership / management within the Programme. A number of non-Business Link led business support providers are actively developing outreach programmes, including events which target particular groups of people, which have impacted favourably on the resultant client base. In fact the most strategically focused business support project within Convergence has been exceeding their profiled targets and is well thought of in the Convergence area. Initial indications from the beneficiary survey within the mid term review are that around 40% of businesses owned within the Convergence area were owned by women, 4% by people from ethnic minorities and 3% by people with a disability. However, this data relates to all businesses supported, rather than the narrower specific targets stated within the Operational Programme which relate to pre-start businesses.

Sharing best practice and developing synergy across the cross cutting themes

The Programme continues to link in to both local and regional equality groups where equality good practice is shared between practitioners. Representation and support has also been given to meetings whose focus is to map and ensure consistency across the way business support works for women in Cornwall.

Section 2.2 Information about compliance with Community law

There were no difficulties in complying with Community law during 2010.

The resources allocated to the teams carrying out the provisions of Article 13 EC1828/2006 were increased during the year to meet the number of projects being approved and training continued to be given to all concerned with the ERDF programme to ensure familiarity with the regulatory requirements. This included circulation of the MA ERDF Operating Guidance which was completed during the year.

Additionally we continue to issue our own guidance to projects to make them aware of their obligations under the regulations

Section 2.3 Significant problems encountered and measures taken to overcome them

No problems in implementing the Programme were identified during 2010. However, one significant irregularity discovered through an Article 13 site visit was deemed to be caused by a lack of understanding of ERDF regulations in the parent organisation and we devised an action plan and a series of training workshops for them to ensure that this problem would not reoccur.

Under the terms of Article 62(1)d(i) the South West RDA supplies information gathered by the Programme Monitoring Committee and South West RDA Monitoring Team to the Audit Authority to enable the annual control report to be produced. The second annual control report was due on 31st December 2010 covering the period from 1st July 2009 to 30th June 2010. The activities of the Audit Authority are detailed below in Section 2.7

Section 2.4 Change in the context of the operational programme implementation

2010 was an eventful year for the UK's political environment, and the events that occurred have led to many significant changes in the political and economic landscape of Cornwall and the Isles of Scilly. Whereas in 2009 the external landscape was dominated by the economy, due to the impact of the recession; in 2010 the impact of political events dominated Programme considerations.

A powerful force was the change in UK government in May 2010. The coalition between the Conservative Party and the Liberal Democrats was announced shortly after the election, and in the latter part of May the intention to reduce public spending, close Regional Development Agencies and create Local Enterprise Partnerships was outlined in its programme for government

In the lead up to the election, both the announcement and confirmation of new contracts by the South West Regional Development Agency were restricted under the rules of 'purdah'. This meant that some ERDF contracts were delayed by the restrictions placed on Single Pot contracting. A public sector marketing freeze, applied to all projects with national public funding, was also imposed for a further three months. In practice, this was most of the Convergence business support products who saw their ability to undertake client acquisition activities seriously restricted over this period. This in turn led to a slow start time for some projects in working towards their output targets.

An Emergency Budget was held on 22 June and the South West RDA was asked to make a large reduction in its 2010/2011 budget as part of its share of the £270m savings expected of the RDA network. The Agency prioritised delivery of contracted ERDF projects, but there was an impact on new investments. In the Emergency Budget the Government also announced its intention to close the Regional Business Links which had hitherto been the nationally recognised gateway to business support and the recipient of significant Competitiveness Funding.

At the end of June the Government then confirmed the abolition of the nine Regional Development Agencies (RDAs) in England – eight regional agencies through the Public Bodies Bill and the London Development

Agency through the Localism Bill – by March 2012. The Coalition also announced that they would be creating a Regional Growth Fund for businesses to bid into.

The future closure of the South West RDA will result in the loss of a source of match funding and will mean changes to governance systems in 2011. Partners had already recognised the need to use alternative sources of match funding, such as private sector match or through advertised calls for delivery of specified activity. Going forward a challenge for the Programme will be to manage uncertainty and change as the RDAs close, maintaining a close eye on achieving expenditure and its associated outputs. The Department for Communities and Local Government will directly manage English ERDF Programmes from 2011, absorbing ERDF Secretariats to ensure continuity of support for Programme partners.

In October, the Comprehensive Spending Review set out Government Departments' plans to reduce their budgets and also confirmed the closure of Government Offices. Whilst the Departments looked to make savings this posed a risk to any projects dependent on match from departmental budgets, such as Department for Transport for transport proposals and looks like it will continue to be a risk going into 2011.

The Government Offices, as managers of the ESF Fund, were significant partners. The loss of the Government Office for the South West (GOSW) changes the membership of the Convergence Programme Monitoring Committee and also the joint management of the PMC, especially as the new European Social Fund Secretariat will not have the same capacity or focus as GOSW Secretariat. This is of concern to partners of the ERDF Convergence programme, as maintaining the link between ERDF and ESF programmes is a high priority for them.

Following an invitation to local authorities and businesses on 29 June 2010 to bring forward proposals for Local Enterprise Partnerships (LEPs), the Government received 62 responses. On 28 October 2010, the Government announced 24 partnerships that were ready to move forward and establish their local enterprise partnership boards, including a LEP for Cornwall and the Isles of Scilly. DCLG have indicated they will encourage Programme partners to undertake a review of the PMC membership in 2011 and it is expected that the LEP will become a key partner in delivering ERDF activity.

The Government made known that it is keen to see Local Enterprise Partnerships play a central role in determining local economic priorities and undertake activities that drive economic growth and creation of local jobs. The Government's ambition is that LEPs will be a key vehicle in delivering Government objectives for economic growth and decentralisation, whilst also providing a means for local authorities to work together with business in order to quicken the economic recovery. The key objective of the Convergence Programme to transform the economy means there must be a close relationship with the LEP alongside other bodies focused on economic growth.

In October BIS published its economic White Paper, which gave further details about the creation of LEPs and the Regional Growth Fund (RGF). It was suggested that the RGF could be used as a potential source of match, although its fund of £1.4b over three years on a national level is much smaller than the budgets of the Regional Development Agencies. The deadline for bids for the first round will be in January 2011, it is known that there is interest in bidding from local proposals that also intend to seek ERDF. Success in obtaining RGF locally will be closely monitored by the PMC.

On a local level, in November Cornwall Council also announced its emergency budget. This detailed how Cornwall Council would make savings of over £56m between 2010 – 2014. A contraction in public spending and the loss of public sector jobs (16,300 announced in the South West) is likely to cause a retraction in the economy when events play themselves out in 2011. However, Cornwall Council ring-fenced £40m for economic development, some of which is intended be used to match ERDF Convergence expenditure.

On 13 December 2010, the Localism Bill was introduced to Parliament. This Bill is intended to shift power from central government back into the hands of individuals, communities and councils. DCLG's intention is to ensure that local partners are at the forefront of taking decisions in ERDF investment. Partners in the Convergence Programme are already very hands on and keen to direct Programme activity, but there may be

changes to the management of the PMC and its sub-groups to reinforce partner influence on the Programme.

The UK was officially declared to be out of recession when the GDP figures for the final quarter of 2009 were revealed by the Office for National Statistics in January 2010. As predicted, growth through 2010 was modest, and the Treasury and Office for Budget Responsibility both considered that the UK capacity for growth had been permanently reduced. By Q4 of 2010, UK growth had dipped again, anecdotally this was partly attributed to adverse weather conditions.

The slow growth in the economy resulted in many business support projects taking more time than anticipated to achieve increased GVA results with their clients, though this indicator typically lags 12 months behind the actual intervention, so the impact is not likely to be felt until 2011.

In 2010, the Euro/Sterling exchange rate was volatile, but showed a downward trend overall. It is thought that the Sterling will continue to strengthen against the Euro into 2011 as the Government continues with its fiscal deficit reduction plan. The volatility of the exchange rate in 2010 has emphasised the importance of monitoring the exchange rate in connection to committed funds. The importance of this will increase as the end of the programme approaches.

2011

It is intended that DCLG will directly administer the Programme from July 2011, absorbing staff from the RDA's ERDF Secretariat to manage a smooth transition and ongoing delivery. The Secretariat will be charged with balancing local partners' aspirations for programme delivery with compliance with EU rules and regulations.

There are some uncertainties in 2011. If the expected local public sector cuts and job losses result in a further contraction in the local economy, this could impact on the private sector's ability to bring projects forward and it is not certain how successful Convergence projects will be in attracting Regional Growth Fund as match funding as competition will be on a national level.

'Solutions for Business', the national portfolio of publicly funded business support will be further streamlined in 2011 and details are not yet available as to what the national funding priorities and activities will look like. Local partners have expressed a desire to continue with some elements of start up support and coaching support along side a voucher scheme that enables businesses to drive their own growth ambitions. It is likely that these may be supplemented by other products that fit the Programme's objectives and align with emerging national priorities

Forecasts based on activity in latter stages of development and contracted activity suggests that the N+2 target will be comfortably met in 2011, but the external factors do mean that partners are not complacent and there will be no relaxation in activity to drive forward delivery.

Section 2.5 Substantial modification pursuant to Article 57 of Regulation (EC) No 1083/2006

There has been no requirement to substantially modify a project during the year.

Eight projects were successfully completed in 2010. All applicants are made aware that projects are expected to deliver against indicators agreed and that projects are obliged to continue operation without substantial modification for at least 5 years after completion of the project

Section 2.6 Complementarity with other instruments

At a strategic level the ERDF Programme Monitoring Committee meets jointly with the European Social Fund Regional Committee, providing the opportunity for partners to make direct links between Programme policies and Frameworks. An example is discussion around embedding ESF activity within the ERDF Priority 4 Strategic Investment Frameworks, representatives of ESF's Co-Financing Organisations, the Learning & Skills

Council & JobCentre Plus sit on the PMC enabling direct linkages between skills and place based regeneration to be highlighted and acted upon. The Joint Committee also hear reports from the Rural Development Programme for England (EAFRD) and European Fisheries Fund. Demarcation between ERDF, EAFRD and EFF has been identified by activity strand within Priorities and is set out in the Operational Programme. This provides guidance to the PMC, who can use their meetings to ensure that demarcation between Funds is preserved, but maximise the impact of complementary activity.

South West RDA is also responsible for managing the Rural Development Programme and houses the Secretariat function alongside the ERDF Secretariat. At a functional level RDPE has been included in internal RDA European meetings, which helps both Secretariats to guide their respective Steering Groups, i.e, ERDF PMC, in managing the demarcation issue. In July 2011 the RDA role in managing the RDPE Programme will be passed to Dept for Food and Rural Affairs (DEFRA).

The European Fisheries Fund was finalised in 2008, the final details have not impacted on the demarcation criteria set out in the Operational Programme, but does offer opportunities for working on complementary ERDF & EFF schemes.

At implementation level a Cross Fund Matrix has been devised which captures all proposals with potential for enhancing their impact through linkages with investments in other European Programmes. This database has been maintained to date by South West RDA, but if partners wish to continue using the matrix then an alternative will need to be found post March 2012 when the Agency shuts.

Investment at Newquay Airport has been highlighted as an example of ERDF and ESF complementary activity at project level in the Convergence area.

Section 2.7 Monitoring arrangements

The South West RDA Claims and Monitoring Team have continued to deliver the Monitoring Strategy as approved in 2008, whilst the strategy is reviewed annually it has not proved necessary to modify the detail to date. The Strategy sets out in detail how the South West RDA will undertake administrative and on-the-spot verifications of individual projects in accordance with Article 13 of Commission Regulation 1828/2006. The Strategy also details the Programme Monitoring Committee's role in overseeing monitoring activity.

Reports were provided to the Programme Monitoring Committee as specified by the Strategy.

During 2010 162 claims for ERDF grant totalling £35,108,064 were processed and paid out to project deliverers. All claims were subject to administrative desk checks. 32 Project Engagement Visits (PEV) and 26 Progress and Verification Visits (On the spot verifications) (PAV) were completed. In addition there were 22 other site visits to deal with specific issues raised by project managers.

Every project receives a PEV after the signed offer letter has been received and before the first claim is paid. The frequency of PAV visits is based on the project risk rating with higher risk rated projects receiving more frequent visits

The Project Engagement Visit is particularly well received by project managers because it enables potential problems to be identified and resolved and clearly explains the claims process and evidence requirements. Although difficult to quantify we believe this visit significantly reduces subsequent queries. There has been a significant increase in claims received towards the end of the year as more projects have come on line and additional resources have been transferred in from other parts of the Agency to deal with this additional workload.

The Monitoring Team has also been strengthened in a similar manner because of the increase in the number of projects which is greater than originally expected. We continue to receive good feedback from projects following monitoring visits.

Irregularities

Details of irregularities found in the period are shown below

Irregularities found by RDA A.13 Teams Convergence Programme			
Type	No.	No. of Projects	ERDF Value £
Incorrect procurement	1	1	499,913
Expenditure outside project scope	3	1	97,500
Lack of correct time sheets	3	1	8,084
Expenditure before project start date	1	1	3,512
Ineligible expenditure	28	9	22,146
Total	36		£631,155

The incorrect procurement irregularity will have a greater effect than the amount shown above because the project has additional costs incurred through the ineligible suppliers for which it can now no longer use to claim ERDF funding. The investigation also highlighted a general lack of awareness of ERDF rules in the parent organisation and a series of workshops have been held for their staff to counter this.

Additionally the ERDF Secretariat has had to deal with a Convergence Programme wide breach of the ERDF publicity regulations. Fully compliant guidance has now been issued to all projects and work is underway to ensure that all billboards and plaques observe the rules. This work has removed the threat of a flat rate penalty being applied to the Convergence Programme by the Audit Authority.

Audit Authority

Systems Reviews

South West RDA received a clean report for the systems audit carried out on our Finance for Business projects.

The Agency participated in systems reviews of the Managing Authority and the Certifying Authority. Neither review had any adverse comment on this Agency's systems.

In January 2011 the Audit Authority will be carrying out a complete end-to-end inspection of all our ERDF systems and processes.

Article 16 Inspections

The Audit Authority Article 16 Team (equivalent of the Article 10 team in the previous programmes) commenced their first tranche of audits in February 2010. They have carried out 16 visits to Convergence projects. Overall the results are satisfactory although some irregularities have been discovered. These are summarised below:

Irregularities found by CLG A.16 Team			
Type	No.	No. of Projects	ERDF Value £
Ineligible match funding	1	1	360,000
Ineligible expenditure	2	2	22,481
Incorrect time sheets	1	1	5,956

Total	4		388,439

The A.16 Team regarded the ineligible match funding issue as a one off which has not been repeated in any other projects.

Two other issues around overhead calculation and eligibility are in hand and are expected to be resolved without any penalty. There is one issue over eligible retrospective expenditure where the project deliverer is to provide a satisfactory audit trail.

Managing Authority

The Managing Authority regional representative has carried out three claims inspections on SWRDA Convergence final beneficiary projects.

Certifying Authority

The Certifying Authority visited South West RDA in August to carry out re-performance checks on a small sample of project claims. No issues of any consequence arose from the visit but it was necessary to involve the concerned projects in providing further evidence to support their claims. The co-operation of those projects was appreciated.

The Certifying Authority have now reduced the level of sampling of aggregate claims for re-imbursement and this has significantly reduced the level of work involved in obtaining payments for claims.

Evaluation

The Evaluation strategy agreed by the PMC in May 2009 was dependant upon delivery alongside the RDA's Single Pot Evaluation Framework. The Single Pot Evaluation activity had been withdrawn in light of the RDA Network closure, so it is no longer possible to undertake the Strategy as agreed by the Programme Monitoring Committee. It was noted that at the PMC's October meeting that new proposals would need to be developed in order to best direct remaining funds and report on the impact of Convergence investments. The way forward for Programme evaluation will be directed by DCLG's review of Technical Assistance, which is expected to be underway by the second quarter of 2011.

Data Collection

South West RDA use of a Programme Management System (Proteus) to monitor the progress of all ERDF investments has been reported in previous years. This system will continue to be used up to 30 June 2011 to record and report on the Convergence Programme's investments, including actual spend and outputs against each project; the forecast or profile spend; outputs against each project; recording variances between actual and forecast and budget and in producing N+2 forecasts (sterling and euros). From 1 July control of systems will pass to Department of Communities and Local Government and management of the Convergence Programme will be through use of the Full MCIS system.

Profiling information is updated by the European Claims Team using the information provided by projects as part of their claims. The RDA Case Officer has overall responsibility for testing the realism of this information.

Section 2.8 National performance reserve

The UK Government has decided not to operate a national performance reserve for the UK Operational Programmes.

Section 3: IMPLEMENTATION BY PRIORITY

3.1 Priority Axis 1: Innovation and Research & Development

Table 6 Priority 1 Financial Summary

Priority 1: Innovation and Research & Development				2007 -13
€m				
	EU	National	Total	
Innovation and Research & Development	105.13	35.004	140.017	

3.1.1 Achievement of targets and analysis of progress

Information on the physical and financial progress of the priority

Table7

Priority 1 Performance 2010				
Allocation €105.013				
£89m @ 0.84400 Exchange Rate				
Currency	ERDF value of contracts	Total eligible value of contracts	Average Priority Intervention Rate (OP - 75%)	ERDF value of spend
Sterling	78.52m	119.2m	66%	20.29m
Euros	93.03m	141.3m		24.04m

Table 8 Priority 1 Indicators

Priority 1 Indicators	Achievement 2007-2009	Achievement 31 Dec 2010	Forecast achievement based on contracted projects	Target Number
Outputs				
Number of businesses assisted to improve their performance	9	28	845	1,540
Number of new business assisted (Subset of businesses assisted)	8	8	58	210
Number of environmental goods and services enterprises assisted (subset of businesses assisted)	0	10	212	280
No of firms involved in collaborative research & development projects (subset of businesses assisted)	0	0	311	280
Number of business within the region engaged in new collaboration with UK knowledge base (subset of businesses assisted)	0	12	264	280
Number of research and innovation centres supported	0	1	6	6

Proportion of premises constructed/upgraded to at least the BREEAM standard of excellent or equivalent (incubators etc)	0	0	1102sqm (% to be calculated at Programme close)	90%
Results				
Gross new jobs created	0	1	1678	2,187
Gross jobs safeguarded	0	0	29	837
No of patents granted and other IPRs and other IPR devices	0	0	21	140
Number of additional firms involved in business/cluster networks	5	5	92	700
No of SMEs launching new or improved products	0	8	135	1,956
Gross increase in GVA	0	0	£89.5m	£76.5m
Gross jobs created in environmental sectors (subset of job created)	0	0	466	560
Impacts				
Net additional safeguarded GVA	0	0		£29.3m
Net additional GVA	0	0		£57.8m
Net additional employment	0	0		1,653

Qualitative analysis

Aims & Objectives of Priority Axis 1:

The aim of this Priority is to enable Cornwall & the Isles of Scilly to compete as a centre for creativity, innovation and research and development. It has a key role to play in identifying and supporting those areas where Cornwall & the Isles of Scilly can establish specialist areas of expertise and knowledge, capable of attracting investment and talented people, building upon the already established business and sectoral strengths.

Progress

It was noted in the Annual Implementation Report for 2009 that the Programme Monitoring Committee agreed the importance of looking at further options for delivering the objectives in Priority Axis 1; this would be in addition to those already commissioned through the Priority Axis 1 Investment Framework and the Higher Education Investment Framework. This was partly driven by the potential difficulties in obtaining match funding, including the uncertainty on Additional Student Numbers [ASNs] from the Higher Education Funding Council for England needed for investments coming forward from the Combined Universities in Cornwall.

Consequently in early 2010 task and finish groups were established to explore other opportunities within Priority Axis 1.

During the course of the year limited progress was made with regards to the exploration of other options for Priority Axis 1. However, also during the course of the year, the position with ASNs became clearer and consequently the Higher Education Funding Council for England was able to confirm their contributions to two key Priority Axis 1 investments, identified in the Higher Education Framework, endorsed by the Programme Monitoring Committee in 2008.

In October the Programme Monitoring Committee agreed the terms of reference for the Delivery Driver Group. This group had been proposed by the ERDF Secretariat, following the 2010 Programme Review, as it was recognised that as the Programme continues to mature and the headroom for further investment decreases the importance of ensuring commissioned activity is deliverable increases. The work of the Delivery Driver Group would also be important for ensuring the achievement of

N+2 targets as well as the Programme reaching full commitment by the end of 2013 and coming in on budget by the end of 2015. To achieve this the Programme Monitoring Committee agreed that Delivery Driver Group should look at the deliverability of projects coming forward through the Programme and report back to them via the Partnership Delivery Group. Within Priority Axis 1 the work of the Delivery Driver Group has included taking stock of the new opportunities emerging under Priority Axis 1, both in relation to the task and finish groups identified above, and also more recent emerging opportunities. The work of the Delivery Driver Group will continue into 2011.

By the end of the year despite high commitment levels in Priority Axis 1 the proportion of Priority Axis 1 Outputs, Results and Impacts that are forecast to be achieved are low. This is partly because a significant amount of the Priority Axis 1 investment has been about positioning the region to benefit in the future but not necessarily delivering a high level of Results within the Programme period. In addition to a relatively low level of targets forecast to be achieved the progress made in achieving targets during 2010 has been slow. This is mainly due to the majority of investments made to date are capital build projects which will achieve the bulk of their jobs and GVA targets once the construction phase has been completed and the facilities are fully operational. Consequently the achievement of the targets for these projects are in the very latter stages of the Programme period but this does mean that robust project monitoring, to ensure the achievement of the targets, will be crucial.

Stimulating Research & Development - Euros	
Allocation	Contracted ERDF Value
21m - 42m	37.2m

During 2010 one investment was made which contributes to this strand of activity. This was a significant investment and consequently takes the total investments in this strand at the top end of the range. The investment made against this stand is important in terms of the jobs and GVA it is expected to generate, both within the lifetime of the Convergence Programme and beyond.

Supporting Ideas, Innovation & Knowledge - Euros	
Euro Allocation	Contracted ERDF Value
15.7m – 31.5m	1.92m

During the course of 2010 two investments were made against this strand. Although both are relatively modest investments they are both important in terms of expanding the range of services and facilities that are available to high value businesses in Cornwall and the Isles of Scilly.

Innovation & Incubation – Euros	
Allocation	Contracted ERDF Value
21m – 36.7m	30.27m

Two investments against this strand have been made during 2010. This includes the investment referred to in the two previous Annual Implementation Reports for 2008 and 2009 where land and contracting issues had been noted in relation to the delivery of an Innovation Centre.

Environmental Goods & Services – Euros	
Allocation	Contracted ERDF Value

10.5m – 26.2m	23.63m
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No further progress has been made in the delivery of this strand during 2010. However with the previous investments made this strand is already nearing the top end of the strand range.

3.1.2 Significant problems encountered and measures taken to overcome them

There were no significant problems encountered during this reporting period.

3.2 Priority Axis 2: Enterprise and Investment

Table 9 Priority 2 Financial Summary

Priority 2: Enterprise and Investment		2007 -13 €m	
	EU	National	Total
Enterprise and Investment	130.11	54.504	184.515

3.2.1 Achievement of targets and analysis of progress

Information on the physical and financial progress of the priority

Table 10

Priority 2 Performance 2010 Allocation €130.11 £110m @ 0.84400 Exchange Rate				
Currency	ERDF value of contracts	Total Eligible Value of Contracts	Average Sterling Priority Intervention Rate (OP-70%)	ERDF value of spend
Sterling	44.2m	69.1m	64%	20.73m
Euros	52.4m	81.9m		24.57m

Table 11 Priority 2 Indicators

Priority 2 Indicators	Achievement 2007-2009	Achievement 31 Dec 2010	Forecast achievement based on contracted projects	Target Number
Outputs				
Number of businesses assisted to improve their performance	578	1352	8,607	4,900
Number of new business assisted (subset of businesses assisted)	48	299	295	700
Environmental goods and services enterprises assisted (subset of businesses assisted)	6	59	73	350
Businesses advised on improved	77	156	426	1,400

environmental performance (subset of businesses assisted)				
Businesses engaged in new knowledge base collaborations (subset of businesses assisted)	0	29	65	210
Premises built achieving BREEAM "excellent " rating	0	0	3	80%
Square metres of new or up-graded premises/facilities	743	743	7,275	93,000
Results				
Private sector investment arising from support	1,653,000	1,653,000	£13.3m	£360m
Number of companies using ICT (new and upgraded)	0	0	10,040	4,410
Number of jobs created	43	280	5713	5,474
Number of jobs safeguarded	15	30	2543	3,413
Gross increase in GVA	0	4.5	£169.1m	£191.6m
Gross jobs created in environmental sectors (subset of jobs created)	0	0	26	700
Number of additional firms involved in business/cluster networks (subset of businesses assisted)	29	103	479	1,050
Impacts				
Net additional GVA	0	0		£126.7m
Net additional employment	0	0		3,621
	0	0		

Qualitative analysis

Aim and Objectives of Priority 2:

The aim of this Priority is to re-structure the economy to one with a higher proportion of high value added businesses, under pinned by more productive businesses across the business base. The overall focus is on high growth, high value businesses and investments (whether capital infrastructure or revenue support) that will ultimately lead to the creation of higher skilled, higher paid employment opportunities in Cornwall and the Isles of Scilly. In addition, there is a commitment to environmental sustainability and the objective to increase awareness and investment in this across the business base.

Progress

Following the recruitment and set up phase (2009) for most of the business support products, 2010 has largely been spent embedding the projects and engaging with businesses. This engagement has mostly been through grants, vouchers, subject specific workshops and one to one coaching / start up sessions. Also during this period the Deeper Broader Information, Diagnostic and Brokerage was re-contracted for a further 12 month period as was a specific targeted investment into helping businesses to improve their resource efficiency, in line with the Programme's commitment to environmental sustainability.

Priority 2 has now contracted over 47% of the business assist targets and as a subset of this, over 71% of new businesses assisted target. This is on target and exceeding targets respectively and is encouraging for the first half of the programme delivery. Effective contract management with projects will be vital in ensuring that the business interactions take place at the volume for which they have contracted.

Indeed some 28% of business assists (and 43% of new business assists) have now taken place with many more in project pipelines. Where the Priority has less targets contracted and achieved, is with respect to engagement with environmental goods and services business (21% contracted and 17% achieved). This is partly due to the abortive Social and Domestic Energy Efficiency and Micro-generation sector project which would specifically have contracted this output and associated results. The project was aborted as the Convergence partners were not convinced that the project as it currently stood represented good value for money for the Programme. Nonetheless the partnership members are exploring other ways in which this sector could be supported.

Perhaps more importantly from the point of view of wider economic impact, Priority 2 has contracted 37% of the new jobs target, 16% of the safeguarded jobs target and over 40% of the GVA target. In all these result areas, an achievement figure (as is to be expected) is lagging some 12 months behind the initial engagement with a business. Therefore only the first engagements have started to bear results in this calendar year (6% jobs created and safeguarded and 2% GVA achieved). It is anticipated that 2011 will continue to contract targets and engage with businesses but will also see a marked increase in the achievement of results and impacts.

As a result of a change in government and change to the national direction of business support the Programme undertook a mid-term review of the range of business support projects. This review looked at the existing projects in terms of their performance, business feedback and on going value for money for the Programme. Following this review, partners agreed to consider different options going forward. It is likely that 2011 will see the majority of existing projects pushed to achieve and or exceed their targets whilst in 2012 only those delivering significant impact and return on investment will be continued.

Alongside the business support investments, significant capital investments are ongoing through the Business Infrastructure strand. More details provided below.

Progress by Strand

New Enterprise – Euros	
Indicative Allocation	Contracted ERDF Value
13-19.5m	2.4m

No further progress has been made in the delivery of this strand as the investments made in 2009 are beginning to show and impact in this area. Further investment will be explored in 2011 subject to the achievements of current investments.

High Growth Companies – Euros	
Indicative Allocation	Contracted ERDF Value
19.5m – 26m	11.8m

During the course of 2010, five new investments were made against this strand. All five were made directly with businesses under the Grant for Business Investment Strategic Investment Framework.

Targeted Business Support – Euros	
Indicative Allocation	Contracted ERDF Value
26 – 39m	18.4m

One additional investment was made in this strand in order to continue the 'gateway' role of the information, diagnostic and brokerage service to all other business support investments. It is unlikely that this will be continued beyond mid-2011 due to the Coalition Government's announcements about regional Business Link services.

Business Infrastructure – Euros	
Indicative Allocation	Contracted ERDF Value
39-58.5m	13.1m

The Employment Space Strategic Investment Framework Action Plan which was updated in 2010 highlighted the deterioration in global, national and regional conditions which has had a deleterious effect on the commercial property market and therefore the ability of investors and developers to deliver workspace schemes.

Nonetheless, investor confidence appears to have strengthened during the year as evidenced by continued interest in gap funding for workspace schemes from private sector developers. In addition, a number of projects commenced development in 2010 which will provide a total of 3482 sq m of new and refurbished workspace on completion. These include the Environment Management Centre at United Downs Business Park which will provide 580 sq m of BREEAM excellent workspace; and Porthmeor Studios at St Ives which will provide 909 sq m of new and refurbished studios and workshops for the creative industries sector.

In February 2010, the Programme Monitoring Committee (PMC) commissioned Cornwall Council to undertake a rapid review of the Priority 4 Strategic Investment Frameworks to identify projects which would deliver key strategic and transformational priorities and make the greatest contribution to Priority 4. The review also recommended that appropriate ERDF workspace projects currently within Priority 4 go forward to compete with other workspace projects in the Priority 2 Business Infrastructure strand. The review reported its outcomes to the PMC on 28 October 2010.

Following consideration of the review outcomes the PMC endorsed the recommendation to move potential workspace projects which have fallen out of the Priority 4 review exercise for consideration under the Priority 2 Business Infrastructure strand. This has had the effect of over commissioning the P2 budget by 150%. All projects considered under P2 have been assessed by the secretariat and prioritised on the basis of their fit with the priority requirements and deliverability.

The review also recognised that there should be much closer working arrangements between Priority 4 and the Priority 2 Business Infrastructure strand to ensure that spend in both priorities is maintained and provides the best outcomes for the programme. This may require the movement of current P2 projects back into P4 should any of the delivery deadlines not be met by the larger P4 projects eg the Isles of Scilly Link.

Access to Finance – Euros	
Indicative Allocation	Contracted Total Value
13-19.5m	4.4m

No further progress was made in delivering against strand. The previous investment in this area is currently being monitored in order to assess and determine the likely future demand before new investment opportunities are explored.

Environmental Goods and Services – Euros	
Indicative Allocation	Contracted ERDF Value
13 – 19.5m	2.1m

Two new investments were made in this strand during the course of 2010. They are both relatively modest but are intended to facilitate businesses investments into environmental sustainability with the resultant impact on the local supply chain.

3.2.2 Significant problems encountered and measures taken to overcome them

There were no significant problems encountered during this reporting period.

3.3 Priority Axis 3: Transformational Infrastructure

Table 12 Priority 3 Financial Summary

Priority 3: Transformational Infrastructure			2007 -13 €m
	EU	National	Total
Transformational Infrastructure	105.13	52.507	157.520

3.3.1 Achievement of targets & analysis of progress

Information on the physical and financial progress of the priority

Table 13

Priority 3 Performance 2010 Allocation € 105.013 £89m @ 0.84400 Exchange Rate				
Currency	ERDF value of contracts	Total eligible value of Contracts	Average Priority Intervention Rate (OP – 66%)	ERDF value of spend
Sterling	92.5m	201.4m	46%	40.18m
Euros	109.6m	238.6m		47.61m

Table 14 Priority 3 Indicators

Priority 3 Indicators	Achievement 2007-2009	Achievement 31 Dec 2010	Forecast achievement based on contracted projects	Target Number
Outputs				
Major investment projects	0	1	2	2
Premises built achieving BREEAM “excellent “ rating or equivalent	0	0	4	90%
Results				
Number of businesses using new infrastructure	0	0	0	10,000
Number of businesses benefiting from up-graded ICT	0	0	10,000	10,000

infrastructure				
Number of businesses with improved performance (GVA)	0	0	0	6,000
Number of jobs created	60	107	717	4,000
Number of jobs safeguarded	0	0	205	2,000
Gross increase in GVA	£438,618	£1.4m	£61.3m	£140.0m
	0	0		
Impacts				
Net additional safeguarded GVA	0	0		£70.0m
Net additional GVA	0	0		£99.2m
Net additional employment	0	0		2,835

3.3.2 Qualitative analysis

Aims and Objectives of Priority Axis 3

Developing a limited number of large investments for transformational infrastructure is critical in developing a platform which will allow a step change in economic performance. These developments are focussed on improving connectivity between businesses in Cornwall and the Isles of Scilly and national and international knowledge and trading networks and new markets.

Progress

Newquay International Airport - Euros	
Allocation	Contracted ERDF Value
21m – 42m	12.7m

During 2010 there was limited progress with the development of new opportunities in relation to Newquay International Airport. Cornwall Council continued to deliver the previously approved Newquay Airport Infrastructure and Airport Development project which included revenue support for the airport team to assist with the development of options for the airport. During the year the airport team have worked on the development of potential future Convergence projects including an access route to enable the areas south of the airport to be opened up for development (this was mentioned in the 2009 Annual Implementation Report) and which could lead to possible future Convergence investments in either Priority Axis 3, Priority Axis 2 or Priority Axis 4.

Digital Infrastructure - Euros	
Allocation	Contracted ERDF Value
31.5m – 52.5m	64.2m

As reported in the Annual Implementation report for 2009 this strand of Priority Axis 3 is intended to be delivered through one major project 'Next Generation Broadband' with the aim of transforming the economic position of Cornwall and the Isles of Scilly by providing a next generation broadband network, including the infrastructure, a wholesale platform and end-user applications.

By the end of 2009 an open competition process had led to a preferred bidder being identified.

During 2010 the Next Generation Access proposal was submitted, via the Department of Communities and Local Government, to the European Commission for the Major Project Procedure. In August 2010 the European Commission confirmed approval for the project under the Major Project Procedure. Consequently a contract

was issued to the selected private sector investor, British Telecom, to build, own and operate the infrastructure but with an obligation to ensure open access to wholesale services by all service providers. The primary purpose of the project is to ensure that high growth, high value businesses, including start-ups, those with potential to develop, and inward investors, have access to Next Generation Broadband services. The project will deploy superfast fibre based connections to approximately 86% of all businesses premises; approximately 10,000 out of Cornwall's 25,000 businesses will be connected including up to 2,400 high growth, high value businesses that will be prioritised for connection and higher speed solutions. Robust monitoring of the economic benefits that arise from the Next Generation Broadband project will be crucial in ensuring the achievement of targets. The responsibility for this lies with the ERDF Secretariat who will work with Cornwall Council through the Priority Axis 2 project Cornwall and Isles of Scilly Next Generation Broadband Delivery Management Team, which provides the capacity to manage the delivery of the Next Generation Broadband project.

The investment of €59,033,733 in the Next Generation Broadband Access project brings the total investment in the Digital Infrastructure strand of Priority Axis 3 to substantially higher than the top end range for this type of activity. However the Partnership view Next Generation Broadband Access as being a key project for the Programme and one which will deliver not only a significant increase in jobs and GVA but will also link together and add value to other ERDF Convergence investments including place based regeneration, innovation centres, research institutions and business support activities.

Knowledge Infrastructure - Euros	
Allocation	Contracted ERDF Value
31.5m – 52.5m	32.6m

During 2010 investments were made in three projects under this strand. The first was an infrastructure project which enabled the provision of essential services to an earlier capital investment made by the Programme. As a stand alone project this will not achieve any direct economic benefits but it will ensure the full delivery of the earlier investment.

The two other investments in this Priority Axis was an extension of the learning resource provision to support the increased number of students based at the Tremough Campus. This activity fits with the objective in the Operational Programme of strengthening the under-graduate education within Cornwall. The other investment within this strand of Priority Axis 3 was in support of the Widening Participation agenda, which meets with the objective of providing access points thereby increasing participation in areas which have historically had a low take up of Higher Education opportunities.

As individual projects the investments made under this strand of the Programme will have limited economic benefits; this is reflected in the Outputs Results and Impacts that they will achieve. However they are important investments for the Programme as they help ensure the build up of sufficient critical mass to ensure the long term sustainability of higher education in the region.

3.3.2 Significant problems encountered and measures taken to overcome them

There were no significant problems encountered during this reporting period.

3.4 Priority Axis 4: Unlocking the Economic Potential of Place

Table 15 Priority 4 Financial Summary

Priority 4: Unlocking the Economic Potential of Place 2007 - 13 €m			
	EU	National	Total
Unlocking the Economic Potential of Place	100.17	63.344	163.361

3.4.1 Achievement of targets and analysis of progress

Information on the physical and financial progress of the priority

Table16

Priority 4 Performance 2010 Allocation €100.017 £84m @ 0.84400 Exchange Rate				
Currency	ERDF value of contracts	Total eligible value of Contracts	Average Priority Intervention Rate (OP – 61%)	ERDF value of spend
Sterling	38.6m	71.9m	54%	13.18m
Euros	45.76m	85.2m		15.62m

Table 17 Priority 4 Indicators

Priority 4 Indicators	Achievement 2007-2009	Achievement 31 Dec 2010	Forecast achievement based on contracted projects	Target Number
Outputs				
Square metres of floorspace (m ²)	1,801	1,801	18,918	60,000
Hectares of land for development	0.42	0.42	8.85	58
Previously developed land prepared / developed (subset of land for development)	0	0	1.89	10ha
Redundant buildings developed for new economic use	0	0	2	40
Historic buildings / sites developed for new economic use	0	0	2	20
Sustainable Integrated Development Strategies Prepared	0	0	7	7
Projects achieving BREEAM “excellent” rating or equivalent	1	1	5	80%
Results				
Number of jobs created	2	17	414	3,751
Number of jobs safeguarded	15	17	117	2,517

Private sector investment £m	£4.4m	£4.49m	£13.5m	£157m
Gross increase in GVA	0	0	£20.45m	£131.3m
Impacts				
Increase in GVA (net)	0	0	0	£86.8m
Additional employment (net)	0	0	0	2481

3.4.2 Qualitative analysis

Aims and objectives of Priority Axis 4

The strategic objective is to:

- Accelerate the regeneration of Camborne Pool Redruth and St Austell and the Clay Country through the provision of infrastructure and other support which assist the development of a sustainable knowledge based economy;
- Develop in a sustainable manner the capacity of key towns to accommodate new investment critical to the development of a knowledge based and higher value-added economy; and
- Support economic development in key towns which increase the use of public transport and reduce car use and congestion.

Progress

A Programme wide delivery resource review is being undertaken. It is likely that additional ERDF can be found by rationalising delivery teams that are funded by both Technical Assistance and project funding.

In addition, the Camborne Pool Redruth Regeneration (CPRR) SIF (Strategic Investment Framework) contract will cease in March 2012. This will release further ERDF that will increase the headroom under Priority 4(P4).

The Cornwall Development Company (CDC) Place and Sites Delivery Team is currently undertaking a similar resource review under its contract as part of its annual delivery plan. This review has the potential to provide additional ERDF of approximately £1.4m. It is essential that one of the outcomes of the resource review is to ensure contract and audit flexibility for teams to work across Priorities, especially between Priority 2 (P2) & P4

The SIF Review which was signed off by Programme Monitoring Committee (PMC) on 28th October 2010 detailed all the projects within P4 together with those in the SIF areas that could go forward to be considered for funding under P2.

The P4 SIF Delivery Plan identified £44m (ERDF) projects that are considered “deliverable” by 2013, including the Ecotown and Port of Falmouth transformational investments. By earmarking ERDF to these projects without demonstrable progress could pose a delivery risk to the rest of the Priority. If progress on delivery fails to materialise, the earmarked funds will be reduced commensurately to reflect investment pressures from other projects. The Delivery Driver Group (DDG) will monitor progress.

The pipeline of projects is increasing as the private sector gains more confidence in the market place and the public sector is clearer on the funding post CSR eg Local Transport Plan 3. Key decisions such as that by Department for Transport on the Isles of Scilly Sea Link project will make a significant difference to the contracted amount of ERDF.

In the event that key project investment fails to materialise due to market conditions or other factors, “reserve” projects will be encouraged to ensure Programme performance. The over commissioning of projects provides a number of “reserve” projects that could come forward in P4. In addition there are those P4 projects identified to compete for support in P2, which could also be considered if more deliverable. Flexibility and close working with the P2 and P4 delivery teams has been identified as essential to ensure that the right projects are selected for each Priority and that the quality of the outputs is maintained. DDG will continue to carry out a regular and detailed delivery review of potential projects under P2 and P4.

Integrated Place Regeneration – Camborne Pool Redruth, St Austell & Clay Country - Euros	
Allocation	Contracted ERDF Value
40m – 60m	29.2m

Work has started on several private sector schemes which will provide a total of 12,682 sq m of high quality BREEAM excellent workspace. In addition, a number of applications have been received for schemes from private sector developers which will be considered for endorsement in 2011, including an office and factory development St Austell Enterprise Park; and the refurbishment of an historic building in St Austell Town Centre which will provide high quality office accommodation.

During 2010 several public sector schemes have come forward under the frameworks for the development of infrastructure and regeneration projects, focused mainly in the CPR area. Public sector schemes underway in 2010 include the Heartlands project at Pool, which comprises the transformation of an historic former mining site to provide community space and restored heritage facilities.

Realising Place Potential– Truro, Falmouth/Penryn, Newquay, Bodmin, Penzance/Isles of Scilly - Euros	
Allocation	Contracted ERDF Value
30m – 50m	16.4m

Activity in this strand remained muted in 2010 and has been focused on feasibility and pre development work led mainly by the public sector. Projects endorsed in 2010 include the Mid Cornwall Rail Infrastructure Project which comprises the production of a pre-feasibility report to inform the selection of an option designed to improve service frequency and patronage on the mid Cornwall rail network and reduce journey times.

In terms of private sector workspace, schemes underway in 2010 include the Caterlink Manufacturing Initiative Project which will provide a new laboratory together with storage and training facilities, the new accommodation extending to 2,801 sq m. A number of projects are in the pre-development phase and are expected to come forward for endorsement in early 2011. Following the SIF review, it is expected that the majority of these projects will be considered for investment under the P2 Business Infrastructure strand

3.4.2 Significant problems encountered and measures taken to overcome them

There were no significant problems encountered during this reporting period.

SECTION 4: MAJOR PROJECTS

The Next Generation Broadband (NGB) proposal successfully passed through Major Project procedure in 2010 and a contract was agreed in September with the successful bidder British Telecom. At £53.5m ERDF investment in the £103m Next Generation Broadband (NGB*) investment represents the single largest and most transformational investment that the Convergence programme will make. It contributes towards the programme's operational objectives by providing the platform for economic transformation to a more knowledge based, high value added, lower carbon economy. The project links together and adds value to virtually all other investments in the programme, including, place based regeneration activity, innovation centres and the Combined Universities in Cornwall developments.

The primary purpose of this project is to ensure that targeted high growth, high value businesses, including start-ups, those with potential to develop, and inward investors, have access to NGB services. The number of targeted businesses will be maximised by ensuring early deployment to business parks and other areas of Convergence activity, providing fibre connectivity with up to 100Mb/s capability. High value businesses will be prioritised for connection within the rollout plan wherever possible and will be selected for higher speed solutions where this is achievable. The project is due to complete in December 2014.

5 TECHNICAL ASSISTANCE

Table 18

Priority 5 Performance 2010 Allocation €18.003m £15m @0.84400 Exchange Rate				
Currency	ERDF value of contracts	Total value of contracts	Average Priority Intervention Rate	ERDF Spend 2009
Sterling	10.5m	14m	75%	£3.8m
Euros	12.4m	16.6m		€4.51m

Existing activity progressed in line with agreed contracts. The work undertaken by the European Secretariat is regularly monitored by the Managing Authority, Certifying Authority, Audit Authority and by partners. A report of communication activity undertaken by the Technical Assistance funded Convergence Partnership Office can be seen in section 6 of this Annual Implementation Report.

The 2010 Programme Review identified a number of recommendations in relation to Technical Assistance activity, as detailed in section 2.1.9. Following the Review it became clear that DCLG would undertake their own national review of Technical Assistance, so it would have been premature to undertake activity to address Review recommendations ahead of knowing DCLG's thinking. However, in October 2010 the Programme Monitoring Committee did consider a Priority 5 Position paper, which highlighted six issues for discussion:

1. The majority of match funding for Technical Assistance had come from South West RDA, who had invested in all of the Technical Assistance contracted projects. With the demise of South West RDA match funding had to be sought from other sources, but there were broader issues which meant seeking a straight replacement for the existing projects may not

have been practical or appropriate.

2. As part of the ERDF Transition activity DCLG were reviewing the resources that were deemed necessary to effectively run ERDF Programmes. Decisions on the use of Technical Assistance would not be made by DCLG until 2011.
3. Given the Programme's mid-point had been reached it was felt timely to review the support the Programme would need for the second half of the Programme. The first half of the Programme had largely focused on strengthening capacity, but much of this work could be considered to have been achieved and it was suggested that there could be a review of continuing relevance and to establish whether there were new areas of work that partners felt would enhance delivery.
4. Work had been underway during 2010 to construct a proposal for the future delivery of communication activity, which would address the loss of RDA funding, ensure regulatory activity continued to be delivered and made best use of resources that could be available from Cornwall Council.
5. The Evaluation strategy agreed by the PMC in May 2009 was dependant upon delivery alongside the RDA's Single Pot Evaluation Framework. The Single Pot Evaluation activity had been withdrawn in light of the RDA Network closure, so it was no longer possible to undertake the Strategy as agreed by the Programme Monitoring Committee. It was noted at the October meeting that new proposals would need to be developed in order to best direct remaining funds and report on the impact of Convergence investments. As evaluation was a regulatory activity it would be picked as part of DCLG's consideration of Technical Assistance in delivering ERDF Programmes.
6. Cornwall Council is a match funder for two Technical Assistance projects, which was seen as a very positive engagement in assisting Programme delivery. It was felt to be helpful if local participation in Technical Assistance were able to continue.

As a result of this discussion partners commissioned a review of Technical Assistance Capacity in conjunction with a review of ERDF funded project development and delivery capacity across the Programme, to ensure match funding is utilised in the most effective way on operations that are critical for delivery in the second half of the Programme. An update on the review was provided to the Programme Monitoring Committee at its December meeting identifying the range of functions that Technical Assistance would need to cover: management, commissioning of project development, appraisal, monitoring, evaluation, communication, intelligence, skills, FE/HE, cross cutting themes, partnership support and administration support. The functions were identified following consideration of:

- regulatory and compliance requirements identified by the European Commission;
- progress in ERDF delivery to date;
- the range of activity requiring support in the second half of the Programme;
- availability of monies to match fund ERDF;
- value of joint activity with European Social Fund
- opportunities for promoting the localism agenda where priorities align with ERDF and
- changes to economic development structures at local, regional and national levels.

The functions set out in the paper were seen as an opportunity to share Convergence partners' views of the ERDF Programme's needs with DCLG and contribute to their review of Technical Assistance.

An European Court of Auditors' (ECA) report of the Objective One 2000-2006 Cornwall & Isles of Scilly Programme queried the use of funding outside of the Technical Assistance priority to support

ERDF teams funded outside of Technical Assistance. In light of the ECA's questions the Convergence Programme has been careful to avoid any misinterpretation of the functions of teams funded outside of Technical Assistance. In strict adherence to Article 46 teams funded under Priorities other than Priority 5 do not have a role in interpreting information for the management of the Programme and do not have either an appraisal position nor an audit function in reviewing project activities. The teams are included in the Capacity Review mentioned above as part of the resource required to effectively deliver the Programme, but are employed for their technical expertise (e.g., property development) on very specific activity strands within the relevant Priority to bring forward the type of proposals seen by partners to deliver Programme objectives. Secretariat functions of information management, appraisal, monitoring, evaluation, preparation of the Programme and compliance are wholly funded by Technical Assistance.

6 INFORMATION AND PUBLICITY

Introduction

The Convergence Communication Plan is primarily delivered by a Technical Assistance project that funds the Convergence Partnership Office. The Partnership Office is also funded by European Social Fund Technical Assistance to deliver ESF communication activity – there are a number of common needs which the Partnership Office have been able to manage in tandem for the two Programmes. Section 6.1 provides the Partnership Office report of communication activity in 2010.

In addition to the activity undertaken by the Partnership Office South West RDA have hosted European pages on their website providing high level Programme information, contact details for the ERDF Secretariat, key programme documents including past Annual Implementation Reports, agreed Programme Monitoring Committee minutes and the Operational Programme and lists of beneficiaries.

Beneficiary data

Beneficiary data is held on the European pages of the South West RDA's website

http://www.southwestrda.org.uk/working_with_you/working_with_europe/funding_and_programmes/convergence/beneficiaries

Following the transfer of the ERDF Secretariat to DCLG in July 2011, It is expected that from July 2011 the beneficiary data will be held on the Convergence pages of the DCLG website.

Convergence 2010 Annual Conference

The 2010 Annual Conference was held on 25 February 2010 at the Eden Project, a project that has received ERDF Objective One funding and Convergence ESF funding. The Conference provided an opportunity to focus on ERDF and ESF Convergence activity. Eighty attendees listened to progress reports from South West RDA and Government Office for the South West, heard a view of the future from the two local authorities in the Programme area and took part in round table discussions with ERDF and ESF beneficiaries, hearing first hand how European funding had provided assistance. Feedback following the event showed that participants had really welcomed the opportunity to talk with partners and beneficiaries about the issues that Convergence could help to address. The round table approach has since led to three further workshop style meetings for the Programme Monitoring Committee as partners appreciated the benefit of the more informal opportunities to focus on issues.

Assessment of Communication Activity

Article 4(2) of EC Regulation 1828/2006 requires an assessment of communication activity from the start of the Convergence Programme as part of the 2010 Report. To address this, the Partnership Office was asked to provide a self-assessment of communication activity, which is included in section 6.2. However, it should also be noted that:

- i) section 5 above reports on the ERDF Capacity Review being undertaken for the Programme. Proposals from partners for future delivery of Convergence ERDF communications are expected to follow a report to the March 2011 PMC meeting of required capacity functions for the remainder of the ERDF Programme. The intention would be to avoid any perception of change in service to the public, but management of resource could be altered to allow close links to preparation for EU Programmes post-2013 and make better use of partners' communication resources. Work had already been underway in 2010 to review the way forward for delivering communication activity, when commissioning of the wider Capacity Review made it sensible to include the communication review. The imminent loss of RDA match funding drove the timing, but there had been recognition when the Convergence Partnership Office project was set up that the focus of communication activity would need to be reviewed as the Programme progressed and the need for capacity building reduced.
- ii) in 2011 DCLG will be reviewing a national approach to ERDF communications in order to make best use of technical and financial resources available across all English Programme areas. It is possible that this could lead to an amendment to individual Programme Communication plans in 2011, but compliance with EC Regulations will be the key consideration in devising the way forward.

6.1 Convergence Partnership Office input into the Convergence Annual Implementation Report 2010

Convergence Partnership Office expenditure, funded through Priority 5 Technical Assistance at 75% ERDF intervention	
Total Project Expenditure 2010	Total Project Expenditure to 31 Dec 2010
£250,313	£599,386

Introduction

In 2010 the budget for the Convergence Partnership Office was provided by technical assistance from the ERDF and ESF Convergence programmes, together with UK match funding from Cornwall Council and the South West RDA. The key roles of the Convergence Partnership Office are to:

- Provide the hub for the communication of the ERDF and ESF Convergence Programmes for Cornwall and the Isles of Scilly – both communicating for the Programmes and providing advice and guidance for partners and investments (including beneficiaries) on the communication of the ERDF and ESF investments.
- Provide a broad spectrum access to the Programmes (increasingly the outputs and outcomes of the programmes as delivery matures) including via: media releases; the free-phone helpline signposting to partners and investments as appropriate; via the website and social media; presentations; publications; and newsletters.
- Work across both Programmes to highlight the complementary and synergistic nature of the investments by the ERDF and ESF Convergence Programmes, and thereby the application of European Cohesion Policy, in Cornwall and the Isles of Scilly.

Convergence Communication 2010

The Convergence communication plan ¹ takes account of both internal (a diverse partnership of partnerships across the public, private and voluntary and community sectors) and external communication. The internal communication flows help ensure that those involved in the delivery of the Programmes, including investment beneficiaries have good access to the best information on the Programmes. The external communication, in particular via the media, provides the wider public, in particular within Cornwall and the Isles of Scilly, with information about the Programmes' progress and achievements, with a particular focus on businesses and business groups. (Where appropriate this includes signposting to complementary European programmes including EAFRD, EFF, and ERDF and ESF Competitiveness and Employment.)

The main channels for the communication of the ERDF and ESF Convergence Programmes in 2010 have been

- The free-phone helpline (0800 028 0120) – providing signposting and follow-ups
- Media releases (available at www.convergencecornwall.com/what-is-convergence/media-releases.php) , weekly media briefings and partner communication updates
- The website www.convergencecornwall.com and associated social media
- Presentations – frequently by invitation -- and briefings to conferences, seminars and other partner events, in particular at economic and business fora; and written and oral evidence to the House of Lords European Committee report on ESF (see <http://www.publications.parliament.uk/pa/ld200910/ldselect/ldaucom/92/9202.htm>).
- Monthly Convergence Newsletter to around 1,300 recipients (<http://www.convergencecornwall.com/what-is-convergence/newsletters.php>) and Progress Reports (<http://www.convergencecornwall.com/what-is-convergence/progress.php>)

Performance against the Convergence communication plan indicators and the anticipated activity for 2010 (per 2009 AIR) was as set out in the tables below.

Brand and Graphic

Encouragement continues for partners to acknowledge the Convergence investment: including the use of the term Convergence, and the Convergence logo (per the Communication Plan and agreed by the PMC) in conjunction with the appropriate ERDF and ESF logos to help build the profile of the 2007-13 Programmes.

Website development

The Convergence website (www.convergencecornwall.com) has been designed to be the hub for Convergence communication -- with the capacity to host information about the Programmes and their investments and expand over time as the delivery of the programmes mature. Key to the approach to digital media has been the commitment to 21st century communication as a means of reaching to new and younger demographics. During 2010 the website received around 28,800 visits – an increase of 93% over 2009 with 57% being new visitors.

¹ The Convergence Communication Plan (per Article 2 of Regulation 1828/2006) was drafted and submitted to the PMC in January 2008 and approved by the EC (per Article 3) 24 July 2008.

Major website additions during 2010 included the redevelopment of the home page of the website (www.convergencecornwall.com) which was redesigned to highlight the outcomes of the ERDF and ESF Convergence programmes, in particular through case studies of individual people and businesses and how European structural fund investment has helped them. The new home page gives much quicker access to a whole range of content on the website, including case studies, investment pages, contact telephone numbers, media releases and award winners. This redesign is much more picture led (rather than the graphic led version that was used to launch Convergence) and has included a re-vamp of the multimedia hub (<http://www.convergencecornwall.com/media-hub.php>) which brings together video snapshots of delivery, podcasts and social media.

In addition the website underwent constant updates and development throughout the year including additions of new investments and media releases, and the tracking the delivery of investments and their impact on business performance and people's work potential.

In line with the business plan the CPO also hosts a 'static' version of the Objective One website -- www.objectiveone.com -- as a history of the implementation of the 2000–06 Programme. Both this and the Convergence website have been registered with the British library digital archive to help ensure their long-term survival as a record of economic change and European investment in the economies of Cornwall and the Isles of Scilly.

Social Media

Convergence has continued in its use of social media:

Twitter (available at www.twitter.com/convergencenews) has continued to be used with 801 tweets and an increase of 415 followers over 2010 to a total of 650. Over 2010 Twitter was the fourth highest source of referrals to the website, albeit that Google predominated. Twitter is used to provide information about ERDF and ESF Convergence investments and events and help drive traffic to the website eg using tools such as bit.ly – in the 6 months to December 2010 bit.ly was used 1,994 times from Convergence tweets.

Over 2010 Convergence developed its use of Flickr (available at www.flickr.com/photos/convergencenews) which has allowed us to put albums of photographs on the internet and tag each with a description and location. This enables us to make more of the photographs we have – making them available to be viewed and to pictorially tell stories of the development of some of the ERDF and ESF Convergence investments eg Pool Innovation Centre. In 2010 there were over 3000 views of Convergence photographs on Flickr, with 250 photos in 32 albums, with regular spikes of 50+ views a day.

Work with the Media

Throughout 2010 the Convergence Partnership Office produced and contributed to media releases (available at www.convergencecornwall.com/what-is-convergence/media-releases.php) about Convergence investments, and also originated a number of bespoke articles to local and regional press (available at <http://www.convergencecornwall.com/convergence-vision/convergence-commentary.php>)

Media coverage included over 1500 pieces – with less than 1% being negative.

- over 500 of which were generated by the announcement of the next generation broadband infrastructure investment – thanks to the global reach of BT as a major international telco and the involvement of Chief Executive Ian Livingstone -- (<http://www.convergencecornwall.com/what-is-convergence/media->

[releases.php?id=1358&year=2010&quarter=3](http://www.convergencecornwall.com/convergence-vision/convergence-commentary.php?id=1358&year=2010&quarter=3)) which generated worldwide coverage -- this can be viewed at the Convergence Partnership Office; and

- over 550 articles in the local daily and weekly press. Using JICREG audited figures for the circulation and readership of these publications this equates to local coverage of between 13.3 million (circulation) and 57.8 million (readership) opportunities to see. Cornwall and the Isles of Scilly has a resident population of around 530,000 (ONS 2009 mid year estimate).

This activity provides known and trusted communication during a time of a difficult economic outlook and considerable changes in the priorities and structures of Government.

The media activity includes considerable work both with the media (including regular briefings on the ERDF and ESF Convergence programmes and the wider context in which they are operating) and with partners on Convergence related media releases and communication tactics.

The overall performance of both ERDF and ESF Convergence programmes in 2010 were very strong and brought together in the article '2010 – a great year for Convergence'

<http://www.convergencecornwall.com/convergence-vision/convergence-commentary.php?id=1458>

Communication of the Cross Cutting Themes

The environmental sustainability and equality and diversity cross cutting themes are important to the ERDF and ESF Convergence programmes and there for an important part of the communication of the Programmes.

In terms of communication environmental sustainability and equality and diversity are incorporated from a number of perspectives, including their roles as:

- cross cutting themes
- economic drivers – eg maximising the talent pool available for businesses and the development of a lower carbon economy

From the time an investment goes live (exchange of offer letters) and the Convergence Partnership Office is formally involved in communication the cross cutting themes have a role in ERDF and ESF Convergence communication. This includes specific

- Sections for each of the cross cutting themes in the investment sections of the website (eg see <http://www.convergencecornwall.com/convergence-investments/watson-marlow-pumps-ltd.php>)
- Attention to the cross cutting themes in the investment announcement media releases
- The inclusion of both cross cutting themes in both the new case study section of the website (eg see http://www.convergencecornwall.com/convergence-investments/case_study.php?case_study_id=27) and the video snapshots section of the media hub (eg see Simon Fleet's story at <http://www.convergencecornwall.com/media-hub.php>)
- Highlight environment and equal opportunities in ERDF and ESF Convergence case studies

We also

- Have taken the opportunity to place bespoke articles with the media: examples from 2010 include issue pieces for the Western Morning News on both mental health (see <http://www.convergencecornwall.com/convergence-vision/convergence-commentary.php?id=1368>) and older workers (see <http://www.convergencecornwall.com/convergence-vision/convergence-commentary.php?id=1208>) and International Women's Day (see <http://www.convergencecornwall.com/convergence-vision/convergence-commentary.php?id=1206>)

- Use Twitter to highlight the cross cutting them performance of Convergence investments and highlight issues such as climate change, mental health, older workers and learning disabilities

Key communication Issues arising in 2010

The Key messages important for Convergence communication have included:

- role of Convergence, in particular ESF, in responding to the global economic / financial downturn
- long term nature of Convergence impacts
- different but interdependent nature of ERDF and ESF Convergence investments – both integral parts of Cohesion policy
- the emerging business support packages that ERDF and ESF Convergence has invested in – these will become increasingly real as examples and case studies become apparent.
- The continued ambition and opportunity of Convergence, alongside the changes in Government priorities, budgets and structures

Looking Forwards – in December 2010 the Convergence PMC endorsed the paper 'Key Convergence Communication Strands: 2011 Annual Conference and beyond' (see below) which sets out the narrative direction for the communication of the ERDF and ESF Convergence programmes for their second half.

Key Proposed Communication Activities for 2011

- Major information activities / events
 - Annual Convergence Conference – including the production of display materials showing both Convergence investments and the narrative of the impact of EU programmes over time, suitable for further use;
 - Award events, including Cornwall Works WISE Awards to coincide with Europe Day;
 - Using Global Entrepreneurship Week as a platform for publicising ERDF and ESF investments and case studies
- Further development of the Convergence website www.convergencecornwall.com and its associated social media including:
 - population of the case study and multimedia hub with examples of the impact of the programmes on the lives of individual people and businesses; and
 - further development of the investment section such including defrayed expenditure at the completion of each investment.

[Full details of Convergence communications activity are held at the Convergence Partnership Office]

Convergence Partnership Office / March 2011

Progress on Key Proposed Communication Outputs for 2010 (AIR 2009)

Key Proposed Communication Activity for 2010	Communication Activity achieved 2010

	<ul style="list-style-type: none"> Major information activities / events 	
	<ul style="list-style-type: none"> Annual Convergence Conference 	<p>The media release and photos of the annual conference are available here -- http://www.convergencecornwall.com/what-is-convergence/media-releases.php?id=1055&year=2010&quarter=1</p>
	<ul style="list-style-type: none"> National ESF events 	<p>http://www.flickr.com/photos/convergencenews/page14/</p> <p>The media release for the National ESF Event is available here -- http://www.convergencecornwall.com/what-is-convergence/media-releases.php?id=1424&year=2010&quarter=4</p>
	<ul style="list-style-type: none"> Award events, including Cornwall Works WISE Awards; and South West ESF Awards. 	<p>The media release and photos of the Cornwall Works WISE awards are available here -- http://www.convergencecornwall.com/what-is-convergence/media-releases.php?id=1428&year=2010&quarter=3</p> <p>http://www.flickr.com/photos/convergencenews/page10/</p> <p>the media releases for the South West ESF Awards are available -- http://convergencecornwall.com/what-is-convergence/media-releases.php?id=1089&year=2010&quarter=1</p> <p>http://convergencecornwall.com/what-is-convergence/media-releases.php?id=1088&year=2010&quarter=1</p>
	<ul style="list-style-type: none"> Global Entrepreneurship Week 	<p>the media releases for Global Entrepreneurship Week are here -- http://www.convergencecornwall.com/what-is-convergence/media-releases.php?id=923&year=2009&quarter=4</p> <p>http://www.convergencecornwall.com/what-is-convergence/media-releases.php?id=1409&year=2010&quarter=4</p>
	<ul style="list-style-type: none"> Production of Convergence publications 	<p>Monthly progress reports produced and available at http://www.convergencecornwall.com/what-is-convergence/progress.php</p>
	<ul style="list-style-type: none"> Further development of the Convergence website and its associated social media including 	<p>Major website additions during 2010 included the redevelopment of the home page of the website (www.convergencecornwall.com) which was redesigned to highlight the outcomes of the Convergence programmes, in particular through case studies of individual people and businesses and how European structural fund investment has helped them. The new home page gives much quicker access to a whole range of content on the website.</p>
	<ul style="list-style-type: none"> Development of the use of Flickr 	<p>Over 2010 Convergence developed its use of Flickr (available at www.flickr.com/photos/convergencenews) which has allowed us to put albums of photographs on the internet and tag each with a description and location. This enables us to make more of the</p>

<ul style="list-style-type: none"> Development of the website to host case studies – linked to individual investments, the four Convergence themes and the two cross cutting themes 	<p>photographs we have – making them available to be viewed and to pictorially tell stories of the development of some of the Convergence investments eg Pool Innovation Centre. In 2010 there were over 3000 views of Convergence photographs on Flickr with regular spikes of 50+ a day.</p> <p>This has been undertaken as part of the website redesign and is accessible from the homepage and at http://www.convergencecornwall.com/convergence-investments/case_studies.php the multimedia hub also which brings together video snapshots of delivery, podcasts and social media -- see http://www.convergencecornwall.com/media-hub.php This work has included provision for cross cutting theme case studies, video snapshots etc</p>
<ul style="list-style-type: none"> The launch of an html version of the Convergence Newsletter 	<p>This was launched in January 2010 and has a circulation of c1,300 and is available here --</p> <p>http://www.convergencecornwall.com/what-is-convergence/newsletters.php</p>

Performance against the Communication Plan (*)

Indicators	2010 performance (and cumulative totals where appropriate)
Report to the Programme Monitoring Committee	
Reports to Partnership Delivery Group on progress with communication	Jan / Apr / July / Sept / Nov
Reports to Joint PMC on progress with communication	Feb / May / / Sept / Oct / Dec
Input into Annual Implementation Report	May PMC
Communication products	
Media updates	37 (75)
Communication updates (from Jan 2009 monthly)	37 (120)
Convergence Newsletters	12 (47)
Publications	Monthly progress reports available at -- http://www.convergencecornwall.com/what-is-convergence/progress.php
Website	
Update (Established 26 Nov 2008)	Major website additions during 2010 included the redevelopment of the home page of the website (www.convergencecornwall.com) which was redesigned to highlight the outcomes of the Convergence programmes, in particular through case studies of individual people and businesses and how European structural fund investment has helped them. The new home page gives much quicker access to a whole range of content on the website.

Presentations		44 (113)
Communication Networks		
UK	DWP regional publicity network	• March
	DWP publicity strategy group	• June / July (incl toolkit steering group)
	Structural Funds communication group,	• September
	SW Competitiveness	• 3 meetings
EU	INIO	-
	INFORM	• June, Brussels

Section 6.2: Self Assessment of Communication activity – provided by Convergence Partnership Office

Information and Publicity Assessment – AIR 2010

Introduction

Article 4(2) 'Implementation and monitoring of the communication plan' -- (EC Regulation 1828/2006) states that 'the annual implementation report for the year 2010 . . . shall contain a chapter assessing the results of the information and publicity measures in terms of visibility and awareness of operational programmes and the role played by the Community, as provided for in Article 2(2)(e)' [the communication plan]. This is that report.

The Cornwall and Isles of Scilly Convergence Communication Plan (per Article 2 of EC Regulation 1828/2006) was drafted and submitted to the PMC in January 2008 and approved by the EC (per Article 3) 24 July 2008.

This report looks at the intention of the communication plan, how this has been delivered against the objectives and activities and the various channels used; the results in terms of visibility and awareness eg media coverage, visits to the website etc; draws on the assessment of the ERDF and ESF programmes both locally and nationally where this relates to communication; and makes recommendations for the way forward, building on the delivery to date and preparations for the remainder of the ERDF and ESF programmes.

The Cornwall and Isles of Scilly Convergence Communication Plan

The overall aim of the Communication Plan is to promote the wide awareness of and engagement in the ERDF [and ESF] Convergence Programme[s] for Cornwall and the Isles of Scilly 2007-2013 and to increase the visibility of the role of the EU in the economic regeneration of Cornwall and the Isles of Scilly.

Within this, five broad objectives were identified for the information and publicity activity:

- Ensure transparency of Programme investment for both potential & final beneficiaries and end recipients;
- Increase awareness and understanding of Programme investment amongst the citizens of Cornwall and the Isles of Scilly;
- Increase awareness of the role of the European Union in the economic regeneration of Cornwall and the Isles of Scilly;
- Magnify the local experience within Cornwall and the Isles of Scilly to wider audiences including the EU;
- Highlight the complementary roles of ESF, EAFRD and EFF European programmes

And a number of communication and publicity activities were identified to help deliver these, namely -- explanations of the mission and content of the programmes / eligibility and processes for commissioning and appraisal / information on the implementation structures / the governance structures and decisions made by them / the commissioning process / the move from Objective One to Convergence programmes and the difference between the two programming periods / the enhanced role for communications in the new Regulations / the approval of investments, what they are, the added value of European investment and how they contribute to regeneration outcomes for Cornwall and the Isles of Scilly.

The Convergence communication plan takes account of both internal (a diverse partnership of partnerships across the public, private and voluntary and community sectors) and external communication. The internal communication flows help ensure that those involved in the delivery of the Programmes, including investment beneficiaries have good access to the best information on the Programmes. The external communication, in particular via the media, provides the wider public, in particular within Cornwall and the Isles of Scilly, with information about the Programmes' progress and achievements, with a particular focus on businesses and business groups. (Where appropriate this includes signposting to complementary European programmes including EAFRD, EFF, and ERDF and ESF Competitiveness and Employment.)

In addition a number of milestones were also set out in the Convergence communication plan.

The cumulative performance against these are set out in IPA Table 1 and the role of the individual communication channels in delivering the activities set against the objectives of the Convergence communication plan and the key audiences are set out in IPA Table 2.

Performance of the Cornwall and Isles of Scilly Convergence Communication Plan

Objective -- Ensure transparency of (ERDF and ESF) Programme investment for both potential & final beneficiaries and end recipients

- The 'what is Convergence?' section (the first of the three major sections) of the website -- www.convergencecornwall.com/what-is-convergence/ -- is specifically designed to present information on content of programmes / implementation structures and processes. This includes
 - Operational Programmes
 - Frequently Asked Questions
 - Management
 - Structures and governance
 - Commissioning
 - Strategic Investment Frameworks
 - Partners
- This has been augmented by publications including the Pocket Prompt (over 2000 printed with the majority distributed) that is an easily accessible explanation of both the ERDF and ESF programmes; Monthly Convergence Progress Reports summarising investments; and the Convergence Newsletter; and various editions of Convergence Focus which highlight case studies.
- Presentations – the face to face contact in the early period of the programmes concentrated on both the ambition and processes of the then new programmes – pointing to detail on the website. This has included presentations on the enhanced role for communications in the Regulations and guidance on publicity activities. The cumulative total to the end of 2010 was 113 presentations with a combined audience of over 4,500 people.
- Helpline -- the free-phone helpline (0800 028 0120) – providing signposting and follow-ups to an average of c20 callers per month over 2009 and 2010.
- The Convergence website (www.convergencecornwall.com) has been designed to be the hub for Convergence communication and hosts details of all investments including description, investment levels, beneficiary and contact details. There are also links to the formal beneficiary lists. This information is being expanded as the delivery matures.

The Convergence website also hosts Convergence related material generated by partners and investments, and has recently absorbed all appropriate material from the Learning and Skills Council as it migrated to the Skills Funding Agency.

→ *Assessment*

The information on the programme content, processes and investment on the website is kept constantly up to date and forms a ready access to this information in an accessible form. Use of the website has been optimised (see next section) to ensure traffic by all interested publics.

This has been augmented by publications, telephone based helplines including a free-phone number with call-backs for all inquirers and presentations to ensure accessibility.

These activities need to be continued to help ensure the ongoing transparency of Programme investment for both potential & final beneficiaries and end recipients.

Objectives – Increase awareness and understanding of (ERDF and ESF) Programme investment amongst the citizens of Cornwall and the Isles of Scilly / Increase awareness of the general public of the role of the European Union in the economic regeneration of Cornwall and the Isles of Scilly

The main channels used for the communication of the Convergence Programmes in 2010 against these objectives have been

- Work with the media --

Throughout the period the Convergence Partnership Office produced and contributed to media releases (available at www.convergencecornwall.com/what-is-convergence/media-releases.php) about ERDF and ESF Convergence investments, and also originated a number of bespoke articles to local and regional press (available at <http://www.convergencecornwall.com/convergence-vision/convergence-commentary.php>)

Media coverage is monitored to assess impact of work with the media and assess how the programmes are being perceived. In 2010 this included over 1500 pieces of media coverage – with less than 1% being negative.

- over 500 of which were generated -- thanks to the global reach of BT as a major international telco and the involvement of Chief Executive Ian Livingstone -- by the announcement of the next generation broadband infrastructure investment (<http://www.convergencecornwall.com/what-is-convergence/media-releases.php?id=1358&year=2010&quarter=3>) which generated worldwide coverage -- this can be viewed at the Convergence Partnership Office; and
- over 550 articles (an increase of 13% from 486 in 2009) in the local daily and weekly press. Using JICREG audited figures for the circulation and readership of these publications this equates to local coverage of between 13.3 million (circulation) and 57.8 million (readership) opportunities to see. Cornwall and the Isles of Scilly has a resident population of c530,000 (ONS 2009 mid year estimate).

The media activity includes considerable work both with the media (including regular briefings on the ERDF and ESF Convergence programmes and the wider context in which they are operating) and with partners on Convergence related media releases, Convergence messages and communication tactics.

- The website www.convergencecornwall.com

The Convergence website has been designed to be the hub for Convergence communication -- with the capacity to host information about the Programmes and their investments and expand over time as the delivery of the programmes mature.

The website has seen a steady rise in visits – eg in 2009 increasing from just under 3000 in the first quarter to c5,000 in the fourth quarter and during 2010

the website received c28,800 visits – an increase of 93% over 2009 with 57% being new visitors.

The Convergence website has been designed to be the hub for ERDF and ESF Convergence communication and hosts details of all investments including description, investment levels, beneficiary and contact details on the 'Convergence Investment' section of the website and commentary on the 'Convergence Vision' section of the website. There are also links to the formal beneficiary lists. This information will be expanded as the delivery matures.

Initially the website was graphically led as part of the new brand identity, (established in 2008 as part of the Convergence communication plan and specifically agreed by the Convergence PMC) for the new programming period (2007-13). 2010 saw a major website redevelopment of the home page which was redesigned to highlight the outcomes of the Convergence programmes, in particular through case studies of individual people and businesses showing how European structural fund investment has helped them. The new home page gives much quicker access to a whole range of content on the website, including case studies, investment pages, contact telephone numbers, media releases and award winners. This redesign is much more picture led, people / business centric (rather than the graphic led version that was used to launch Convergence) and has included a re-vamp of the multimedia hub (<http://www.convergencecornwall.com/media-hub.php>) which brings together video snapshots of delivery, podcasts and social media.

The website has featured on www.w3csites.com (a collection of websites that conform with the W3C standards) and has been earmarked 'Editors Choice'.

In addition the website underwent constant updates and development throughout the period including additions of new investments and media releases.

In line with the business plan the CPO also hosts a 'static' version of the Objective One website -- www.objectiveone.com -- as a history of the implementation of the 2000–06 Programme.

- Social Media

The internet is a constantly evolving set of both technology and information led developments and includes a host of opportunities for new forms of communication.

In particular the internet offers new channels for real time communication, including those that are:

- From the launch of the website -- well developed methods such as RSS feeds (the Convergence website has three RSS feeds – headline news, media releases, and commentary) – have been used;
- From the start of 2009 -- relatively new methods such as Twitter (available at www.twitter.com/convergencenews) with 230 followers by the end of 2009 and over 650 followers by the end of 2010. Twitter is used to provide information about Convergence investments and events and to help drive traffic to the website eg using tools such as bit.ly. In the 6 months to December 2010 bit.ly was used 1,994 times from Convergence tweets;

- From the start of 2010 – Convergence developed its use of Flickr (available at www.flickr.com/photos/convergenceenews) which has allowed us to put albums of photographs on the internet and tag each with a description and location. This enables us to make more of the photographs we have – making them available to be viewed and to pictorially tell stories of the development of some of the Convergence investments eg Pool Innovation Centre. In 2010 there were over 3000 views of Convergence photographs on Flickr, with 250 photos in 32 albums, with regular spikes of 50+ views a day.

Each of the new social media being used is linked to the website to help drive traffic to it as the hub of Convergence information, eg: Twitter, although only actively used since June 2009 it was in the top five of traffic sources to the Convergence website by December 2009. This had grown to fourth in 2010, albeit that Google predominated.

Although social media are frequently not accessible from within the public sector the use of social media has been part of a deliberate communication strategy to use new channels and reach new demographics.

- Presentations – frequently by invitation, and briefings to conferences, seminars and other partner events, with a cumulative total to the end of 2010 of 113 with a combined audience of over 4,500 people, in particular at economic and business fora; and written and oral evidence to the House of Lords European Committee report on ESF -- see <http://www.publications.parliament.uk/pa/ld200910/ldselect/lddeucom/92/9202.htm>
- Monthly Convergence Newsletter to c 1,300 recipients by the end of 2010 – up from c800 at the end of 2008 (<http://www.convergencecornwall.com/what-is-convergence/newsletters.php>) and Progress Reports summarising investments (<http://www.convergencecornwall.com/what-is-convergence/progress.php>)
- Brand and Graphic -- Encouragement continues for partners to acknowledge the Convergence investment, including the use of the term Convergence and the Convergence logo in conjunction with the appropriate ERDF and ESF logos – in line with the Regulations -- to help build the profile of the 2007-13 Programmes.
- Communication of the Cross Cutting Themes

The environmental sustainability and equality and diversity cross cutting themes are important to the ERDF and ESF Convergence programmes and form an important part of the communication of the Programmes.

In terms of communication environmental sustainability and equality and diversity are incorporated from a number of perspectives, including their roles as:

- cross cutting themes
- economic drivers – eg maximising the talent pool available for businesses and the development of a lower carbon economy

From the time an investment goes live (exchange of offer letters) and the Convergence Partnership Office is formally involved in communication the cross cutting themes have a role in Convergence communication. This includes:

- Specific sections for each of the cross cutting themes in the investment sections of the website (eg see

<http://www.convergencecornwall.com/convergence-investments/watson-marlow-pumps-ltd.php>)

- Attention to the cross cutting themes in the investment announcement media releases
- The inclusion of both cross cutting themes in both the new case study section of the website (eg see http://www.convergencecornwall.com/convergence-investments/case_study.php?case_study_id=27) and the video snapshots section of the media hub (eg see Simon Fleet's story at <http://www.convergencecornwall.com/media-hub.php>)

Also

- The opportunity has been taken to place bespoke articles with the media: examples from 2009 include issue pieces for the Western Morning News on both mental health (see <http://www.convergencecornwall.com/convergence-vision/convergence-commentary.php?id=1368>) and older workers (see <http://www.convergencecornwall.com/convergence-vision/convergence-commentary.php?id=1208>) and International Women's Day (see <http://www.convergencecornwall.com/convergence-vision/convergence-commentary.php?id=1206>)
 - Use Twitter to highlight the cross cutting theme performance of Convergence investments and highlight issues such as climate change, mental health, older workers and learning disabilities
- Programme launch and annual events – these were held on 30 January 2008 (programme launch) and 26 February 2009 and 25 February 2010 (annual communication events).
 - Europe Day – this has been marked by the Cornwall Works WISE awards for employment and skills on or as near as possible to Europe Day – 9 May 2008 / 8 May 2009 and July 2010, with delay following the UK general election. (for example see Cornwall Works WISE 2009 <http://www.convergencecornwall.com/what-is-convergence/media-releases.php?id=579&year=2009&quarter=2>)

→ Assessment

There has been a considerable level of increasingly high profile work to achieve these objectives with clear and increasing levels of outputs and outcomes. This profile for the European programmes has been in traditional media (such as press coverage) and increasingly in digital media (including the website and social media). These different channels have been managed as a mutually supporting suite of communication channels. Of particular note has been the use of social media where increasingly Convergence is seen as good practice both within the UK and EU.

The communication and publicity activity to increase awareness and understanding of Convergence amongst the citizens of Cornwall and the Isles of Scilly and the role of the EU is seen as an ever evolving picture – the re-design of the website designed to maximise the visibility of the outcomes of the investment in 2010 is a particularly important development that puts the communication plan in the best position to maximise its impact over the remainder of the programming period. This has included work with partners and investments on Convergence messaging and narrative.

This has helped build a community of interest in the economic regeneration of Cornwall and the Isles of Scilly.

These activities need to be continued to help ensure the ongoing awareness and understanding of Convergence amongst the citizens of Cornwall and the Isles of Scilly and the role of the EU investment, and through the use of case studies that show proof of investment and its impact.

One of the results of this activity has been to provide a known and trusted communication mechanism during a time of a difficult economic outlook and considerable changes in the priorities and structures of Government.

Also of note has been the registering of the website (along with that of the 2000-06 Objective One programme) with the British library digital archive to help ensure their long-term survival as a record of economic change and European investment in Cornwall and the Isles of Scilly.

Objective -- Magnify the local experience within Cornwall and the Isles of Scilly to wider audiences including the EU

A key part of the Convergence communication plan has been to optimise Convergence content to achieve as wide as reach as possible. Key mechanisms have included:

- search engine optimisation for the Convergence Cornwall website and the use of different media on the website including social media, video snapshots and podcasts to appeal to different audiences;
- the use of social media, eg Twitter with 200 million users worldwide, over its short life of five years;
- close working with UK central Government departments including DWP and CLG to help ensure national awareness of the implementation of EU programmes in Cornwall and the Isles of Scilly;
- use of tools such as Cision Point to target specialist national publications with appropriate media releases;
- media release circulation includes to MPs, MEPs, central Government, and the EC;
- media release circulation includes EU and international news feeds eg Press Association;
- work with partners to use their media reach eg BT plc on the announcement of Next Generation Broadband.

→ *Assessment*

A wide range of methods have been used to magnify the local experience to wider audiences. This needs to be developed further as evidence of the impact on the individual people and businesses of Cornwall and the Isles of Scilly, in particular through the use of media tools such as Cision Point.

Objective -- Highlight the complementary roles of ESF, EAFRD and EFF European programmes etc

- One of the key rationales for the Convergence Partnership Office is to bring together the communication of the ERDF and ESF Convergence programmes, thereby illustrating the implementation of the two funds that implement EU Cohesion Policy across Cornwall and the Isles of Scilly.
- The two programmes are brought together in the four communication themes: supporting business, developing our people, investing in our future, making connections. The individual investments are all grouped into these themes both on the website (<http://www.convergencecornwall.com/convergence-investments/>) and in publications such as the progress reports (<http://www.convergencecornwall.com/what-is-convergence/progress.php>). In addition, communication channels such as the Convergence Newsletter (<http://www.convergencecornwall.com/what-is-convergence/newsletters.php>) deliberately cover both programmes.
- In addition both the website and the Convergence Newsletter contain links to the Rural Development Programme for England (EAFRD) and the Fisheries Programme (EFF) – ensuring that Convergence plays a role in ensuring that both programmes are visible and that there are routes for further information – for key audiences including within the partnership, potential beneficiaries and the general public.

→ Assessment

The links and synergies between the ESF and ERDF Convergence programmes is a particular strength of the communication plan and the work of the Convergence Partnership Office – the communication of both programmes are planned and delivered together. The effectiveness of this approach needs to be continued and developed further.

Links to other EU programmes have been less deep but are at a level that is very welcome given the specific remit of the communication plan and activity.

External Appraisals

A number of external appraisals, both local and national, of the ERDF and ESF programmes have made observations on the communication of Convergence --

- *ERDF Convergence Programme Review*, SQW, 2010 (presented to the PMC in October 2010)

Recommendation 20 – the PMC to consider the effectiveness of communications and the articulation of the programme's role. This has been met through the adoption (by the PMC in December 2010) of the paper 'key Convergence communication strands 2011 annual conference and beyond' which sets out the narrative architecture for the communication of both ERDF and ESF Convergence for the second half of the programmes and the permanent display material that will result, together with this report.

- *An evaluation of ESF information and publicity*, DWP research report 646, 2009

This report recognised the value of the Convergence local brand building linking providers and CFOs together, the strength of our pro-active approach to the media and use of social media, and the use of events.

In the way forward the report highlights the importance of case studies based on individuals in making provision real and the need for a continuous dialogue with all providers and subcontractors.

- *Strengths and weaknesses of a partnership driven arm's length approach to communication* – Morgan, 2010 (unpublished report -- part completion of post graduate diploma, CIPR, Russell Square, London)

The report highlighted that

- key partners' support for the work of the Convergence Partnership Office (CPO) – as the central voice and focus for communication of the two programmes and as non partisan within the partnership
- the partnership building work of the CPO has helped build a sense of single purpose going beyond organisational agendas
- the media get what they want and trust the CPO – a particular strength is the pro-active engagement of the media through briefings and presentations
- the CPO itself was largely invisible – it was the programmes and investments that were always central to the communication and publicity activity
- continuity was important – between ERDF and ESF Convergence; and between the 2000-06 and 2007-13 programming periods
- the strategic and consistency in messaging is a strength and unusual in the public sector – which has necessitated buy in at the most senior level across the partnership
- Convergence communication and publicity has contributed to the change in perceptions of Cornwall and the Isles of Scilly – part of an increase in social and economic confidence

Wider Changes in the Communication and Publicity landscape

The findings of the 6th INFORM network meeting (Nov 2010, Funchal, Madeira, Portugal) included:

- a large majority of member states favouring an integrated approach to the communication of EU funding and project achievements; and that there was a
- phasing of communications – early in the programme period the focus is on potential beneficiaries and that this shifts to communicating the results

The more constrained role for UK Government Departments and Agencies in terms of direct spend and activity on communication and publicity activity – continuing need for communication activity, but greater uncertainty as to how it will be achieved, with an underling role for the use of technical assistance in this.

There will be a revised national ESF communications plan agreed with the EC in the first half of 2010 with consequent new communication plans from the co-financing organisations that will need to be reflected at a local level.

Assessment Conclusions

The Convergence communication plan has performed well against all its objectives with a particular strength in the -- *Increase awareness and understanding of Programme investment amongst the citizens of Cornwall and the Isles of Scilly / Increase awareness of the general public of the role of the European Union in the economic regeneration of Cornwall and the Isles of Scilly* -- objectives.

The Convergence Partnership Office has provided an accessible portal for people from the public, private and voluntary and community sectors (as potential beneficiaries, end users and the general public) to the programmes eg by free-phone telephone, email, face to face contact and by a range of conventional and digital media channels.

The communication of Convergence through the Convergence Partnership Office has successfully brought together ERDF and ESF Convergence into a single narrative that has taken the long-view over successive European programmes. In doing so the question 'so what?' has been answered about investments (whether ERDF or ESF) and their delivery and impact.

The approach has included the successful carrying of the voices of partners whilst at the same time staying true to the mission of the ERDF and ESF programmes. This has facilitated a community of interest in the economic regeneration of Cornwall and the Isles of Scilly through a collective clarity of purpose, brokerage and evidence of ambition, delivery and impact.

The consequent wave of trust that carries the partnership's aspirations and tolerates high risk and failure in order to lift the economy up to more than it would otherwise be.

The proactive approach with the media and the positive use of the internet, social media and new channels for communication is both supported by partners and the media themselves and has produced high performing communication outputs and outcomes.

This has included: information about the programmes and their processes; work with partners from the public, private and voluntary and community sectors; programme launch and subsequent annual information activities; celebrating Europe Day; providing advice and guidance to beneficiaries on the communication Regulations; and publishing details of investments and beneficiaries.

Importantly the delivery of the communication plan has not stood still – social media have been embraced; the website has developed as the programme delivery has matured; tools are being used to magnify the reach of the Convergence narrative and the messaging for the remainder of the programming period has been developed.

The role of the individual communication channels in delivering the activities set against the objectives of the Convergence communication plan are set out in IPA Table 2 – there are no obvious gaps or weaknesses. The objectives of the communication plan remain valid albeit that the weight and emphasis of the activities need to increasingly emphasise the impact of the programmes, and this is already happening eg the re-design of the website homepage. Case studies from the view point of the individual or a business – making provision real – identified both in

practice in Cornwall and the Isles of Scilly and independent review will be critical to this.

The Way Forward

The groundwork for this has already been laid by the PMC endorsing the paper 'Key Convergence Communication Strands: 2011 Annual Conference and beyond' as providing the context for the communication of ERDF and ESF Convergence for the next phase of the programmes. See Annex 1.

To bring this to life, and in doing so make it as media friendly as possible, increasingly the voices of the 'end beneficiaries' need to be used ie the individual people and businesses of Cornwall and the Isles of Scilly that have been impacted on by ERDF and / or ESF Convergence (rather than funders or stakeholders). This approach can already be seen in the video snapshots that are available on the multi-media hub <http://www.convergencecornwall.com/media-hub.php> and case studies such as http://www.convergencecornwall.com/convergence-investments/case_study.php?case_study_id=27

In the generation of news stories --- within the communication narrative framework (including the communication themes) and enabling their use by different media channels – content is all important. This includes media releases, website and social media, briefing materials, and newsletters. And will include continued pro-active relationship with both the media and the PR professionals of partners and investments. The key methods and activities for the next phase of communication are summarised in IPA Table 3

IPA Table 1 -- **Performance against the Communication Plan (*)**

Monitoring and Evaluation		Cumulative Performance (to 31/12/2010)
Reports to partners		
Reports to Joint PMC on progress with communication	Reports to each PMC	
Input into Annual Implementation Report	Each year	
Communication products		
Media updates	75	
Communication updates (from Jan 2009 monthly)	120	
Convergence Newsletters	47	
Publications	Monthly progress reports available at -- http://www.convergencecornwall.com/what-is-convergence/progress.php	
Website		
	<ul style="list-style-type: none">Established November 2008Regularly updatedNovember 2010 – major redevelopment of the home page of the website (www.convergencecornwall.com) which was redesigned to highlight the outcomes of the Convergence programmes, in particular through case studies of individual people and businesses and how European structural fund investment has helped them. The new home page gives much quicker access to a whole range of content on the website.	
Presentations	113	
Communication Networks		
UK	DWP regional publicity network	Regular attendees and contributors
	DWP publicity strategy group	
	Structural Funds communication group,	
	SW Competitiveness	
EU	INIO	-
	INFORM	Regular attendees and contributors

(*) The Convergence Communication Plan (per Article 2 of Regulation 1828/2006) was drafted and submitted to the PMC in January 2008 and approved by the EC (per Article 3) 24 July 2008.

IPA Table 2 – **Communication and Publicity Activities 2008-10**

2008 Convergence communication plan		Use of key tools / mechanisms / channels				
Objectives and key audiences	Activities	Website www.convergencecornwall.com	Social media www.twitter.com/convergencenews and www.flickr.com/photos/convergencenews	Media releases www.convergencecornwall.com/what-is-convergence/media-releases.php	presentations	publications
Ensure transparency of Programme investment for both <i>potential & final beneficiaries and end recipients</i> – from within the public, private and voluntary and community sectors	<ul style="list-style-type: none"> • explanations of the mission and content of the programme • eligibility and processes for commissioning and appraisal • information on the implementation structures • the governance structures and decisions made by them • the commissioning process • the move from Objective One to Convergence programmes and the difference between the two 	<p>The 'what is Convergence?' section of the website -- www.convergencecornwall.com/what-is-convergence/ -- is specifically designed to present information on content of programmes / implementation structures and processes. This includes</p> <ul style="list-style-type: none"> • Operational Programmes • Frequently Asked Questions • Management • Structures and governance 	N/A	N/A	<p>Presentations – the face to face contact in the early period of the programmes concentrated on both the ambition and processes of the then new programmes – pointing to detail on the website.</p> <p>This included presentations on the enhanced role for communications in the Regulations and guidance on publicity activities.</p>	<p>Pocket Prompt – easily accessible explanation of both the ERDF and ESF programmes</p> <p>Monthly Convergence Progress Reports – detailing investments</p> <p>Convergence Newsletter</p>

	<ul style="list-style-type: none"> programming periods the enhanced role for communications in the new Regulations the move from Objective One to Convergence programmes and the difference between the two programming periods commissioning process 	<ul style="list-style-type: none"> Commissioning Strategic Investment Frameworks Partners 				
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Objectives	Activities	Website www.convergencecornwall.com	Social media www.twitter.com/convergencenews and www.flickr.com/photos/convergencenews	Media releases www.convergencecornwall.com/what-is-convergence/media-releases.php	presentations	publications
Increase awareness and understanding of Programme investment amongst <i>the citizens of Cornwall and the Isles of Scilly</i> – including from within the public, private and voluntary and community sectors	<ul style="list-style-type: none"> • explanations of the mission and content of the programme • the approval of investments what they are, the added value of European investment and how they contribute to regeneration outcomes for Cornwall and the Isles of Scilly 	<p>The 'what is Convergence?' section of the website has provided the backbone of awareness of the Convergence programmes</p> <p>Over the last 2 years the investment section of the website -- www.convergencecornwall.com/convergence-investments/ -- has been populated with information including</p> <ul style="list-style-type: none"> • Name of beneficiary • Investment package • Brief overview • Related media releases • Timeline for operation <p>All grouped into 4 complementary themes</p>	<p>Twitter, occupying the space between a text and an email, enables us to nudge and remind people about Convergence investments and events (and where appropriate the events of partners) and Convergence coverage in the media in a relatively informal way and in situations where a media release or more formal communication would be inappropriate or a clunky response. It also lets us point to wider events that are or are likely to have an impact on</p>	<p>Media releases are used to present and explain Convergence investments and stages in the implementation and delivery to the media and thereby the general public.</p> <p>This has resulted in Press coverage both locally and nationally as well as coverage on the TV and radio</p>	<p>As the programmes have developed there has been a shift in the content of the programmes from ambition and process to real examples of delivery – of particular importance have been the role of business support and the support that is available to people in times of economic and financial crisis – ie the continued opportunity of Convergence.</p>	<p>Monthly Convergence Progress Reports – detailing investments</p> <p>Convergence Newsletter</p> <p>'welcome pack' for new investments giving details of EC Regulations re publicity and information</p>

		<p>To further this objective, in the last quarter of 2010 the home page of the website was re-designed to highlight the impact of the programmes via case studies and an enhanced multi-media hub</p>	<p>the economy of Cornwall and the Isles of Scilly including the consultation on the Europe 2020 strategy</p> <p>Flickr allows us to put albums of photographs on the internet and tag each with a description and location. This enables us to make more of the photographs we have – making them available to be viewed and to pictorially tell the stories of the development of some of the Convergence investments eg the construction of Pool Innovation Centre.</p>			
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Objectives	Activities	Website www.convergencecornwall.com	Social media www.twitter.com/convergencenews and www.flickr.com/photos/convergencenews	Media releases www.convergencecornwall.com/what-is-convergence/media-releases.php	presentations	publications
Increase awareness of <i>the general public</i> of the role of the European Union in the economic regeneration of Cornwall and the Isles of Scilly	<ul style="list-style-type: none"> • explanations of the mission and content of the programme • the enhanced role for communications in the new Regulations • the approval of investments what they are, the added value of European investment and how they contribute to regeneration outcomes for Cornwall and the Isles of Scilly 	The role of the EU in programme investment on investment pages of the website and in subsequent postings on website including case studies	<p>Twitter is used to nudge people about Convergence investments and highlight the source of European investment</p> <p>Flickr is used to maintain a visual record and again highlight the source of EU investment.</p>	A key part of all media releases is the amount and source of all EU investment together with an explanation of the outcomes that are inline with the ambition of the programme – frequently in form of one or more quotes.	As above	<p>Specific edition of Convergence Focus on business support.</p> <p>Convergence Progress Reports detailing all investments</p> <p>Convergence Newsletter</p> <p>‘welcome pack’ for new investments giving details of EC Regulations re publicity and information</p>

Objectives	Activities	Website www.convergencecornwall.com	Social media www.twitter.com/convergencenews and www.flickr.com/photos/convergencenews	Media releases www.convergencecornwall.com/what-is-convergence/media-releases.php	presentations	publications
Magnify the local experience within Cornwall and the Isles of Scilly to <i>wider audiences</i> including the EU	<ul style="list-style-type: none"> the approval of investments what they are, the added value of European investment and how they contribute to regeneration outcomes for Cornwall and the Isles of Scilly 	Search engine optimisation has enabled the widest reach of the website	Use of social media has widened reach of website and hence content	<p>These are distributed to national news agencies and where appropriate specialist publications are targeted with appropriate content.</p> <p>National Governmental Departmental networks are also regularly tapped into.</p>	These have included to events both outside Cornwall and the Isles of Scilly and at national and EU scale events.	These are available as downloads from the website.

Objectives	Activities	Website www.convergencecornwall.com	Social media www.twitter.com/convergencenews and www.flickr.com/photos/convergencenews	Media releases www.convergencecornwall.com/what-is-convergence/media-releases.php	presentations	publications
Highlight the complementary roles of ESF, EAFRD and EFF European programmes etc	<ul style="list-style-type: none"> • explanations of the mission and content of the programme • information on the implementation structures • the governance structures and decisions made by them 	<p>Highlighting the complementary roles of ERDF and ESF Convergence is one of the prime drivers of the Convergence communication plan and the communication activity of the Convergence Partnership Office</p> <p>In addition there is a specific section of the website for the EAFRD and EFF programmes and links to the South West England Competitiveness and Employment programme</p>	Highlighting the complementary roles of ERDF and ESF Convergence is one of the prime drivers of the Convergence communication plan and the communication activity of the Convergence Partnership Office	Highlighting the complementary roles of ERDF and ESF Convergence is one of the prime drivers of the Convergence communication plan and the communication activity of the Convergence Partnership Office	Highlighting the complementary roles of ERDF and ESF Convergence is one of the prime drivers of the Convergence communication plan and the communication activity of the Convergence Partnership Office	<p>Highlighting the complementary roles of ERDF and ESF Convergence is one of the prime drivers of the Convergence communication plan and the communication activity of the Convergence Partnership Office</p> <p>In addition the monthly Convergence Newsletter includes links to both the EFF and EAFRD programmes</p>

IPA Table 3 -- **Communication and Publicity Activities 2011 onwards**

All Communication Plan Objectives remain – with weight and emphasis of communication activities increasingly on illustrating the impact of the Convergence investment as are the use of the various communication tools, mechanisms and channels.

√ -- key method

√√ -- particularly strong method

Convergence communications – 2011 onwards			Use of key tools / mechanisms / channels				
Activities	Comments	Target audience(s)	Website	Social media	Media releases	presentations	publications
Operational Programme content and programme processes, including commissioning, governance and implementation		Information flows within the partnership / potential beneficiaries – including public, private and voluntary and community sectors	√√			√	√
Visibility of the outcomes of programme investment – the impacts on the people and businesses of Cornwall and the Isles of Scilly	The maturity of the investments means that media releases, case studies and video snapshots increasingly focussed on the impact of Convergence on individual people and businesses	general public within Cornwall and further afield including UK and EU	√√	√√	√√	√√	√

Convergence communications – 2011 onwards			Use of key tools / mechanisms / channels				
Activities	Comments	Targets Audience(s)	Website	Social Media	Media releases	presentations	publications
Accessibility to Programme provision, including helpline signposting and support for business and individuals	<ul style="list-style-type: none"> • Helpline • Cornwall Works Hub • Next Step • Business Link • And other sign-posting within the partnership etc 	Beneficiaries and potential end beneficiaries -- -- including public, private and voluntary and community sectors	√			√	√
Support for beneficiaries and partners re communications and publicity	<ul style="list-style-type: none"> • ERDF – ongoing with investments and new investments and partners • ESF – new providers and sub contractors 	Beneficiaries -- -- including public, private and voluntary and community sectors	√			√	

**CORNWALL AND ISLES OF SCILLY
CONVERGENCE PROGRAMME
EUROPEAN REGIONAL DEVELOPMENT FUND
EUROPEAN SOCIAL FUND
PROGRAMME MONITORING COMMITTEE**

02 December 2010

**Key Convergence Communication Strands: 2011 Annual Conference
and beyond.**

1. Introduction

This paper seeks to identify the key communication strands for the 2011 Convergence Annual Conference and beyond. When considering any communication strategy it is important to situate the message within the context of the audience's immediate experiences, concerns and needs, and for this reason the magnitude of global and local economic and political change needs to be acknowledged. For Cornwall and the Isles of Scilly it is important also to acknowledge the wider narrative, that of the historical context that gives us our identity and the 'starting point' for our role in the world. Three critical strands are important; firstly what we have learned from nearly two decades of regeneration investment, secondly what values ring true for the people of Cornwall and the Isles of Scilly, and thirdly, the continuing relevance of the Convergence themes. Finally, clear recommendations are made for the content and structure of an exhibition.

2. 2000-2010 – two waves of change.

A transformed local economy, challenged by a global crisis.

We have experienced two waves of change. Firstly, with European investment (starting with 5b in 1994, but most significantly from the start of Objective One investment in 2000) we have come a long way on our journey to transform our economic performance and future prospects as a thriving and sustainable community. Secondly and more recently, we are experiencing seismic upheaval, not only because of the global financial crisis, but also because of fundamental structural and political changes in local, regional and national government.

Investment to survive, and to thrive.

It is because of the success of the locally focussed regeneration investment programmes that we are better able to withstand the impact of the global recession. There is a strategic and a tactical dimension to this. On the one hand, because of the investments we have made, we have a more robust and dynamic economic base than we had in 2000, with more business units, more profitable businesses, a more diverse economy, better leadership and more skilled workforce. On the other hand specific investments within ESF Convergence have enabled us to mitigate some of the immediate impacts of recession.

This time, we are well equipped.

The current economic and political climate is presenting us with unprecedented changes that will have far-reaching consequences, however, the region has faced economic hard-times before, as our history tells us. This time, as a result of the regeneration journey we have been on, we are better equipped to tackle the challenges successfully.

3. How did we get here? The historical context.

Cornwall and the Isles of Scilly, uniquely different but always globally connected.

To the Romans and Saxons Cornwall and the Isles of Scilly were a Celtic peninsula stretching far away from the centres of power, with a difficult topography and a people with a distinctive culture and a different language. A place with a landscape as rugged as it is beautiful. A casual glance at the map suggests that Cornwall and the Isles of Scilly are remote places. But look again and see the peninsula from the perspective of a seafarer and you get a different view. Immediately the region becomes a bridge, a convenient trading gateway, a welcome first landfall, a place to shelter and re-stock, a cross-roads, a place of transition and connection. Traders understood this as early as the Bronze Age. They knew, too, that this was a place of wondrous and precious material; tin and copper, then as now, the very stuff of advanced technology.

Innovation is in our DNA.

Mining put Cornwall on the world map, and it was the ingenuity, enterprise, tenacity and sheer hard work of ordinary miners and engineers – as well as the celebrated inventors like Trevithick and Murdoch that built prosperity in the region. But globalisation is nothing new, and Cornish tin, deeply buried in hard rock, struggled to compete with newly discovered Malaysian and Australian tin, which was in alluvial deposits and thus cheaper to mine. In the twentieth century the industry declined rapidly, peaked once more in the 1980s, then ground to a halt.

4. The need for investment.

A reminder of why we needed help.

By the end of the last millennium, Cornwall and the Isles of Scilly were left with an economy based on low-value tourism and non-value-added agriculture. Quantifiable issues like under-employment and low per-capita income (dipping to just 68% of the EU average, and the then lowest in the UK) were just the tip of the iceberg. Lack of confidence, a legacy of post-industrial market failure and an inclination to look inwards and backwards characterised the region. In 1994, the region's needs were acknowledged and Objective 5b investments were secured. Then in 2000, following our recognition as a distinct region with a unique culture, Cornwall and the Isles of Scilly was to qualify for investment under the EU Objective One programme.

Not three separate programmes, but two decades of evolving investment.

The 5b, Objective One, and Convergence programmes have given us nearly two decades of continuous development and investment. Although the programmes, funding partners and mechanisms have changed, the underpinning themes and values have been constant.

5. What we have learned so far on our regeneration journey?

The economy is the foundation.

Throughout the 5b intervention and the Objective One programme, rebuilding a new, resilient and dynamic economy has been a priority. In Convergence investment the economy has been the central theme with renewed emphasis on the sustainable development of a business base built on knowledge and innovation. To support this intention we invested in improved transport and digital infrastructure. As a result we have a far stronger economic base with more robust small businesses leading the world in several specialist fields. We have attracted some good businesses to relocate to the region, but more importantly we have encouraged start-ups and have supported the growth of our own indigenous businesses. Our GDP has risen above the 75% threshold of the European average over the course of the programmes. But in some ways the less tangible changes are more important.

We have a new confidence and vision.

Internally, we have a rediscovered confidence and vision; a profound self-belief that Cornwall and the Isles of Scilly are a place where we can, and we do, succeed. We have achieved this by investing in people consistently, through education and training, by helping the long-term unemployed to find their way back to work, by encouraging vision and leadership in business, and in the public and third sector. We have also

nurtured and celebrated our own culture, traditions, language and sense of place, and have helped to encourage a sense of pride in who we are, where we are from, and what we stand for.

There has been a fundamental shift in external perceptions.

Externally there has been a fundamental shift in the perception of the Cornwall 'brand'. This has come about not by media hype but by focussing on quality, and on communicating our success stories more confidently. As a result, we have built a national and international reputation for quality, innovation, and doing things differently.

External partnerships facilitate internal growth.

Our outward-looking partnership with Europe, our situation within the wider regional framework, and our close working relationship with leading national organisations like the University of Exeter and BT has been one of the principal keys to success. This porous relationship with the 'outside world', a two-way open engagement has not only facilitated the growth of our own 'indigenous' businesses, but has also helped to secure and define our place in Europe, and the global economic and cultural community.

Now, as always, we understand the importance of external as well as internal partnerships; looking outward to the wider UK, to Europe, and globally, to seek new ideas, knowledge, ideals and models of best practice. We have again discovered something in common with Trevithick; that we are at our best when we engage with ideas from the wider world, offer innovations in return, and share in the benefits that follow.

We have learnt to work differently.

We now have fewer individual projects, with more joined-up thinking. We have an emphasis on partnerships, rather than on investment recipients. And of course we have a major focus on learning, the knowledge economy and on transformational business development. But Convergence has far more in common with its forerunners than differences, and the learnings can be described as a continuity of experience.

6. What matters to the people of Cornwall and the IoS?

What do we want our future to be like?

In 2008, the PMC commissioned a series of workshops to ask people what values were most important for them. Business and community leaders, key partnership stakeholders, and 'next-generation' innovators engaged in discussions and asked what the future should look and feel like for Cornwall and the Isles of Scilly. The following set of values was collated, representing our collective aspiration.

- We seek to transform: to rethink, reshape and redesign – we see the future as a place we can create.
- We are committed to Cornwall and the Isles of Scilly: always remembering we are working to build a place that our children will want to inherit.
- We believe in accessibility: in clarity, common sense, and a no-nonsense approach.
- We look outward: we value partnerships, we connect and collaborate.
- We aspire and inspire: we have a global role to play.
- We are businesslike: enterprising, resourceful, with tried and tested real-world acumen.
- We thrive on innovation: invention, new technology and the commercial application of knowledge is in our blood.
- We nurture sustainability: we understand that slow-burn, long term solutions are better than quick fixes, and that social, environmental and economic factors are interdependent.

7. What are the continuing Convergence themes?

Our themes are shaped by core values.

To ensure focus and clarity in the communication of the Convergence programmes investments are grouped into four distinct but interconnected themes. The themes are;

Developing our people: People are at the core of economic regeneration. It is important that people are helped to realise their full potential whether in employment or looking for work.

Strengthening business: The accelerated growth of businesses - in particular high value businesses -- which are better able to pay higher wages will strengthen the commercial value of the economy.

Investing in our future: Higher education opens up opportunities for the individual and can also produce business development through research and innovation and help continually build the business base of Cornwall and the Isles of Scilly.

Making connections: An economy increasingly connected, particularly at a global scale, through trade, technology and knowledge networks is better able to compete.

The themes from Objective One are echoed strongly here, as is the ongoing story of the economic regeneration of Cornwall and the Isles of Scilly. The SQW 2010 review has concluded that the ERDF Convergence strategy remains valid.

8. Recommendations for exhibition content and conference structure.

Focus on the four themes.

The four themes are well established, and are underpinned by core values that are widely accepted and understood. Each one can be illustrated by one or more case studies that exemplify the physical evidence of programme delivery. These should be photographically led, with minimal, but carefully crafted text. Previous communication material commissioned by the Partnership office has used graphic illustrations to symbolise these four themes, and these have recently been deployed on the new website home page. These should be used in conjunction with the case study photographs. In terms of message continuity and 'opportunities to see' it makes best use of resources and best strategic sense to build on this work, that has been carefully thought through and is already in the public arena.

The four themes should form the main substance of the exhibition. Core values, as well as the current political and economic context for the exhibition can be illustrated through the choice of case studies.

Other key messages.

There are other key messages, which have been discussed in this paper, which will not come through clearly with the thematic approach alone. These are;

- the continuity between the programmes
- the 'length of the journey'
- the sense of 'direction of travel' into the future

It is recommended that these are best communicated through a time-line. It may be possible to construct this imaginatively using the opportunity of space within the specific venue. Hall. If this is not possible, there are other graphic ways in which this can be treated.

An introductory message or panel will also be required to set the context for the exhibition, and to ensure contact information, mandatory branding, etc is communicated.

The European EU 2020 strategy should also be reflected as providing the clear road map from the European perspective, albeit with the caveat, as with previous EU economic regeneration programmes, they are not the answer to all economic regeneration goals.

Investment Examples by Theme

Convergence Communication Theme	Investment Examples
Developing Our People	<ul style="list-style-type: none">• Empowering Smart Women• Response to Redundancy

	<ul style="list-style-type: none"> • Strengthening the Environment Sector • Young Mums will Achieve • Progressive Isles • Union Learn • Cornwall Works and WISE Awards • CW4SE -- Fifteen Cornwall etc • CW4SE
Investing in Our Future	<ul style="list-style-type: none"> • Wave Hub / PRiMARE • CUC – ESI / PCMD / AIR / Performance Centre • ECEHH • Penwith College • PIC • UCP
Making Connections	<ul style="list-style-type: none"> • NGB (actnow) • Newquay Cornwall Airport • Truro Falmouth Branchline
Supporting Business	<ul style="list-style-type: none"> • Barncoose Gateway / Watson Marlow / Porthmeor • Cornish Crabbers / Spiral Construction • Grow Cornwall • Isles of Scilly Route Partnership • Eden • Whites Warehouse • Wheal Kitty • Taste of the West • THIs and HERS • NHS food project • Fish Bins • Cheese

(Investments from or with strong links to Objective One are shown in [blue](#).)

Suggested Outline for Annual Conference

- Welcome – Cornwall Council and Council for the Isles of Scilly
- The long view and pointers for the future – GOSW (5b, Objective One and ESF Convergence)
- Overview and lessons learnt – South West RDA (ERDF Convergence)
- How was it for you? (emphasis on the end beneficiary)
 - Businesses eg Cornish Crabbers
 - Welfare to Work eg Rich Emmerson
 - Skills eg Cornwall Marine Network
 - Higher Education eg Prof Anne Carlisle
- The Future -- Cornwall Council and Council for the Isles of Scilly

Convergence Partnership Office
November 2010

Annex 1

Project Descriptions

Project Title: Environment and Sustainability Institute (ESI)
Technical Information:
Total Cost: € 35,078,125
EU contribution: € 26,308,593.75
Contact: Steve Trotter, University of Exeter, s.trotter@exeter.ac.uk
Context
<p>The project lead by the University of Exeter is for the creation of an Environment and Sustainability Institute (ESI) in Cornwall - envisaged as a world class centre of research excellence in the environment and sustainability fields. ESI aims to work with small and medium sized enterprises (SMEs) in Cornwall & the Isles of Scilly and elsewhere, having built a strong, fit for purpose, knowledge exchange infrastructure on the platform of a financially sustainable, world-class academic institution.</p> <p>The ESI will meet all of the strategic objectives listed under Priority 1 of the Convergence Programme:</p> <ul style="list-style-type: none"> • Increase the intellectual capital of Cornwall & the Isles of Scilly through investments in the knowledge infrastructure and research capacity in higher education; increasing and where necessary supporting business investment in research and development and increasing HE/business collaboration • Improve the productivity of companies through increasing the rate of innovation and the economic benefits arising from the pull through and exploitation of knowledge • Increase the numbers of high value added and innovative new start businesses. <p>The objective of ESI is to substantially grow the economy of Cornwall & the Isles of Scilly, creating jobs and GVA by commercialising the outputs of a world-leading centre of research excellence in the field of environment and sustainability.</p> <p>ESI will create a strong HE R&D presence in Cornwall in the fields of the clean technologies, natural environment and socio-economic research. The new institution will develop a critical mass of research activity and a capacity that will, through its close working with businesses, help to establish Cornwall as a leader in the development and adoption of environmental goods and services. This in turn will help meet the overall objectives of the Convergence Programme by supporting high value added and innovative new start businesses and associated job creation.</p> <p>The ESI fits strongly with the Lisbon Agenda by establishing a strong research centre for environment and sustainability, as well as working closely with businesses to commercialise ideas and products. In particular it will support:</p> <ul style="list-style-type: none"> • Creation of knowledge networks and clusters; • Support for businesses on intellectual asset management; • Encouraging creativity of new ideas in businesses; • Building capability of businesses; • Research into environmental technologies and renewable energy where this can lead to an economic benefit.

The ESI fits under the Lisbon Category codes 01 (R&TD activities in research centres), 02 (R&TD infrastructure and centres of competence in a specific technology), 03 (Technology transfer), 04 (Assistance to R&TD, particularly in SMEs), 09 (Other measures to stimulate research and innovation and entrepreneurship in SMEs), 74 (developing human potential in the field of research and innovation).

ESI also fits the Gothenburg Agenda well – its fields of research and development will map onto each of the seven key challenges identified in the EU Sustainable Development Strategy. There are multiple potential research topics including those related to heat distribution, biomass and waste energy, clean technologies in mining as well as research into the impacts of climate change on health, biodiversity and land use (including pest and disease problems and control). The research conducted will enable further understanding of climate change and its impact and will identify and develop solutions and actions to reducing greenhouse gas emissions and to reduce the depletion of finite resources.

The project also support numerous national policies such as:

- UK Business Innovation Policy- The Sainsbury review 'The Race to the Top' published in 2007,
- Higher Ambitions (2009) – The Future of Universities in a Knowledge Economy – The Government's strategy for sustaining the strength of higher education in an increasingly demanding and competitive environment.
- Innovation Nation - The White Paper, Innovation Nation, published on 13 March 2008, sets out the Government's aim to make the UK the best place in the world to run an Innovative business or public service
- The UK Low Carbon Transition Plan (2009) – National Strategy for Climate Change and Energy - The Low Carbon Transition Plan sets out a clear and structured Government view of how CO2 emissions can be cut.

It also strongly supports regional and local priorities such as:

- South West Regional Economic Strategy 2006-2015 and especially its Priority 1E which is associated with promoting innovation with delivery activities identified as including developing a culture of innovation in the region; increasing the contribution that science and technology makes to the economy; encouraging collaboration between business and the region's knowledge base.
- Regional Renewable Energy Strategy for the South West of England 2003-2018 – The vision for the Regional Renewable Energy Strategy is 'to maximise the social and economic benefits of Renewable Energy through the integration of Renewable Energy into mainstream policy and practice at all levels within the region'.
- Cornwall Economic Strategy - The guiding principles of the Strategy include establishing Cornwall and the Isles of Scilly as a place that is highly regarded across the World for the development, application and commercialisation of new knowledge and of sustainable wealth creation. The environment is highlighted as an economic driver in the Strategy and the development of innovative solutions to environmental challenges is identified as a key opportunity for the knowledge based economy.

Project Description

The project delivered by the University of Exeter (UoE) will lead to the creation of an Environment and Sustainability Institute (ESI) - envisaged as a world class centre of research excellence in the environment and sustainability fields. A core principle underpinning the proposal is that the commercialisation of the outputs from this research will enable the ESI to help grow the economy of Cornwall and the Isles of Scilly by creating jobs, businesses and Gross Value Added (GVA).

ESI aims to work with small and medium sized enterprises (SMEs) in Cornwall & the Isles of Scilly and elsewhere, having built a strong, fit for purpose, knowledge exchange infrastructure on

the platform of a financially sustainable, world-class academic institution.

The proposed scheme comprises support for a new 3,200 sq m exemplar research facility, refurbishment of existing facilities, infrastructure and specialist equipment as well as recruitment of specialist academic and associated research staff, university support staff, knowledge exchange staff and operating costs.

The key activities proposed through the ESI project revolve around knowledge transfer and the commercialisation of intellectual property, seeking the further development of the priority environmental technologies sector within Cornwall and the Isles of Scilly. The approach advocated under this project is, through the development of a high quality facility, to develop a world leading research centre focusing upon identified areas of economic opportunity. It is proposed that research findings can then be disseminated to businesses within the local economy through the knowledge transfer mechanism and through intellectual property commercialisation.

Results

The table below sets out the targets as laid down in the project offer letter:

Planned Outputs	Total all years	Achievement Date
Number of businesses assisted to improve their performance	450	30 June 2015
Number of new business assisted (subset of businesses assisted)	12	30 June 2015
Number of environmental goods and services enterprises assisted (subset of businesses assisted)	140	30 June 2015
Number of firms involved in collaborative research & development projects (subset of businesses assisted)	200	30 June 2015
Number of business within the region engaged in new collaboration with UK knowledge base (subset of businesses assisted)	200	30 June 2015
Number of research and innovation centre supported	1	30 June 2015
Premises constructed to BREEAM Outstanding rating	3,116sq m	30 June 2015
Planned Results	Total all years	Achievement Date
Gross new jobs created	388	30 June 2015
Number of patents granted and other IPS and other IPR devices	7	30 June 2015
Number of SMEs launching new or improved products	60	30 June 2015
Gross increase in GVA	€ 29.7 million	30 June 2015
Gross jobs created in environmental sectors (subset of jobs created)	388	30 June 2015
Planned Impacts	Total all years	Achievement Date
Net additional GVA	€ 17.06 million	30 June 2015
New additional employment	223	30 June 2015

The proposal expects to deliver the following core outcomes:

- By building on existing niche strengths and local attributes, and making the necessary investment in excellent facilities, ESI will attract the best academics and

business support personnel, leading to a critical mass of knowledge workers, in turn providing sufficient quality and strength in depth to attract income to become financially sustainable

- Through the excellent research and knowledge drawn together by ESI, make a step change in Cornish intellectual capacity and R&D
- Through the Knowledge Exchange and Business support activities: thriving Cornish (and later regional) businesses exploiting the opportunities presented by local, regional and global environmental challenges
- Through the ESI's Research, Teaching and Knowledge Exchange activities: the development of a world-class body of exploitable knowledge, skills, tools and ideas, both within ESI and in the business community in key environmental and sustainability niches within Cornwall and the region
- Through the development of a world-class Institute, in an exciting field, and its business-related activities, attractive opportunities for graduate and postgraduate employment within Cornwall and the South West – leading to a substantial talent pool for the emerging cluster to exploit and continue to grow
- Through the development of a significant cluster of world-class businesses and research – a highly visible proposition for external businesses and investors to be attracted to, leading to a step change in inward investment and international collaboration
- Through a concentration on practical, exploitable knowledge in solving environmental and sustainability issues combined with an effective knowledge exchange and business function ESI will help Cornwall to be well placed to be an early implementer of the transition to a low-carbon, sustainable economy, further reinforcing the cluster of activity in this field and opening new opportunities for business in the County
- Through work with CUC partner colleges and other programmes (such as RDPE), issues of food security and land-use will be addressed, leading to improved economics in the land-use sectors (outside the scope of the ERDF/Agency package)
- Through work with CUC partner colleges, non-environmental businesses (e.g. building trades) will upskill and be able to implement new environmental and resource efficient techniques and technologies in their businesses (again outside the scope of this application, but this has been proposed by the ESI team for a possible extension to the ESI core project)

Taken as a whole, ESI is an opportunity for Cornwall to rediscover its identity as a world leader in the development and dissemination of knowledge. Until fairly recently, Cornwall led the way in the innovative exploitation of natural resources – built on solving its indigenous mining industry's problems and expanding to global significance. Cornwall has a new opportunity to build a globally important industry on the foundations of its internationally significant research and knowledge in renewable energy, ecology, conservation, land remediation and resource extraction and efficiency. ESI, with its combination of world-class knowledge workers, open access, built in interdisciplinary working, business-friendliness and active, effective knowledge exchange has the potential to be the focus and catalyst for this new industry.

If this project is a success – elements may be replicated elsewhere:

- The new work-methods being proposed for academics and researchers to promote interdisciplinary working
- The open-access "research hotel" approach to allowing researchers not employed by ESI and businesses to work within the ESI facilities with ESI staff and equipment
- The Knowledge Exchange and Business Support model proposed would be attractive to a number of other HEIs

Should ESI establish a clear lead, the barriers to entry for a new ESI elsewhere would be relatively high, particularly in the UK.

Project Title: Tremough Innovation Centre (TIC)

Technical Information:

Total Cost: € 15,076,020.23

EU contribution: € 11,307,015.17

Contact: Len Smith, Cornwall Council, len.smith@cornwall.gov.uk

Context

The overall aim of the Tremough Innovation Centre (TIC) is to act in cohesion with a number of other initiatives as a driver of increased economic value in Cornwall, by significantly increasing the number, size and value-add of knowledge based businesses.

It will achieve this by providing a new Innovation Centre, with high quality office accommodation for high growth potential businesses. TIC 'clients' will be selected on the basis of their potential, ambition and ability to contribute towards the success of the project and will be provided with a tailored package of specialist support services to help their businesses survive, thrive and grow. TIC will also offer 'virtual' incubation services to clients not physically located in the building.

The end result is that TIC clients become fully fledged businesses that are able to attract investment in order to grow and prosper to their full potential and exit the environment into the wider economy.

The project has been developed within the context of two agendas – Lisbon & Gothenburg - the Lisbon agenda is particularly relevant to the TIC project with its emphasis on the need to develop the knowledge economy and increase skill levels in order to remain competitive in global markets. The TIC fits under the Lisbon Category codes 04 (Assistance to R&TD, particularly in SMEs) and 09 (Other measures to stimulate research and innovation and entrepreneurship in SMEs).

The **Convergence Programme** predicts that the development of innovation centres and science parks will be one of the key foundation stones in the next phase of Cornwall's economic development. The development of incubation centres is covered by **Priority Axis 1: Innovation and Research & Development**. The aim of the Priority is to enable the area to compete as a centre for creativity, innovation and research and development and it will play a key role in identifying and supporting the areas where Cornwall & the Isles of Scilly can establish specialist areas of expertise and knowledge, capable of attracting investment and talented people, building upon established business and sectoral strengths. The strategic objectives are to:

- Increase the intellectual capital of Cornwall & the Isles of Scilly through investments in the knowledge infrastructure and research capacity in higher education; increasing and where necessary supporting business investment in research and development and increasing HE/business collaboration
- Improve the productivity of companies through increasing the rate of innovation and the economic benefits arising from the pull through and exploitation of knowledge (research and development and other intellectual assets) including product and process improvements. Building understanding of drivers of innovation and using

<p>these to lever increased innovative behaviour by companies</p> <ul style="list-style-type: none"> • Increase the number of high value added and innovative new start businesses <p>Innovation and incubation forms a key strand of activity and focuses on new and enhanced facilities. Support includes the establishment and operation of a network of innovation centres, specialist research centres, and incubation space.</p> <p>The project sits within the wider regeneration Strategy and the Falmouth/Penryn Strategic Investment Framework under the Convergence Programme which seeks to stimulate and support the development of a diverse knowledge driven economy better able to respond to external environmental change.</p> <p>The project also support numerous national policies such as:</p> <ul style="list-style-type: none"> • UK Business Innovation Policy- The Sainsbury review 'The Race to the Top' published in 2007, • Higher Ambitions (2009) – The Future of Universities in a Knowledge Economy – The Government's strategy for sustaining the strength of higher education in an increasingly demanding and competitive environment. <p>It also strongly supports regional and local priorities such as:</p> <ul style="list-style-type: none"> • South West Regional Economic Strategy 2006-2015 and especially its Strategic Objective 1 'Successful & Competitive Businesses' and Strategic Objective 2 'Strong & Inclusive Communities' . • SW England Incubation and Science Park Strategy - This strategy states that the 'incubator approach is a proven tool to stimulate clustering by providing the means for high growth start up businesses to establish and flourish based on their proximity to expertise' (eg HE) and 'integrated business support' • Cornwall Economic Strategy (2007-2021) - and especially the action "to foster the creation of specific business innovation and science parks and continue the development of high quality business workspace and infrastructure".
<p>Project Description</p> <p>The Tremough Innovation Centre (TIC) is a new three storey building to be constructed on an area of land (1.29 hectares) adjacent to the CUC Tremough Campus at Penryn, Cornwall. It will provide high quality office accommodation for the purposes of incubating start-up and high growth potential businesses in knowledge based sectors.</p> <p>The required investment in the project consists of capital to deliver the TIC building and revenue to ensure that the project is able to employ the specialist management team required to make it an effective incubation environment during the early years when income levels will be comparatively low.</p> <p>The building is designed to achieve a BRE Environmental Assessment Method (BREEAM) 'excellent' rating and will use approximately 60% less energy than conventional office developments. The building places an emphasis on renewable energies by use of natural ventilation to the office spaces, and radiator heating fuelled from a central wood-chip fired biomass boiler. Rainwater will also be harvested for re-use and a Green Travel Plan has already been agreed as part of the planning consent.</p> <p>The building will be equipped with the latest software and hardware to ensure the project maximises the use of ICT opportunities. To facilitate tenant circulation and networking, all central services including reception, meeting rooms, conference facilities, toilets and kitchens will be shared.</p>
<p>Results</p>

The table below sets out the targets as laid down in the project offer letter:

Planned Outputs	Total all years	Achievement Date
Innovation Centre supported	1	31 October 2011
Premises built [3, 614 sq m] achieving BREEAM excellent standard	1	31 October 2011
Planned Results	Total all years	Achievement Date
Gross new jobs created	162	30 June 2015
Gross Increase in GVA	€ 6.07m	30 June 2015
Planned Impacts	Total all years	Achievement Date
Net additional FTEs created	149	30 June 2015
Net additional GVA	€ 5.628m	30 June 2015

The key outcome is the support of a new research and innovation centre in Cornwall. TIC is expected to make a significant contribution to the economic regeneration of Cornwall through the creation of high quality knowledge based jobs in new and innovative businesses in the county, underpinning a developing culture of innovation and entrepreneurship within a knowledge based economy.

Project Title: Coaching for High Growth

Technical Information:

Total Cost: € 5,865,141.35

EU contribution: € 5,278,627.21

Contact: Treve Willis, Oxford Innovation Ltd, t.willis@xin.co.uk

Context

This programme is a key part of the portfolio of business support projects part funded by the South West RDA and the European Regional Development Fund under the Convergence Programme for Cornwall and the Isles of Scilly. The 'Mentoring & Coaching' theme has been identified as critical to providing SMEs with high quality advisors with specialist or technical knowledge and skills appropriate to business needs. This will help businesses develop, manage and execute plans for sustainability and growth. The programme is targeted to provide world class mentoring and coaching services for established businesses with High growth potential.

This project directly contributes towards delivering against the first two objectives of the Convergence programme and indirectly towards the third objective as the coaching activities will be designed to help businesses to increase their growth, transforming the economy and creating better employment opportunities.

Within **Priority Axis 2: Enterprise & Innovation**, it is acknowledged that the productivity of businesses in Cornwall and the Isles of Scilly is significantly below both regional and national

averages. The economy is also dominated by micro-businesses. The evidence suggests that to address these weaknesses, there is a need to diversify the business base and address some of the constraints that are acting as a barrier to growth. Within the existing business stock one of the main barriers to growth is accessing external expertise. This project acknowledges the lack of leadership and coaching for businesses to guide them through the growth period and seeks to address it by providing expert coaches on varying length placements to high growth and high growth potential high value businesses.

One of the strengths of this project is that it is 'sector blind' (with the exception of the ERDF ineligible sectors) which will seek to identify where high growth potential exists regardless of the sector and fits with the stated aim within Priority 2 which focuses "efforts on improving productivity across the business base, not solely on elite groups and narrow sectors."

The project will make links with the **European Social Fund**, ensuring that where accredited training is required as a part of a coaching need, the request is referred effectively to the appropriate ESF funded project. There will also be strong links with the other business support products once deliverers have been selected.

Project Description

This is a product from the Solutions for Business suite of business support entitled, 'Coaching for High Growth'.

The project aims to increase the stock of strongly growing SMEs in Cornwall and the Isles of Scilly through the provision of a programme of intensive coaching and assistance. This will be available to all businesses with high growth potential and not just those who are technically innovative or focused on bringing a new idea to market. The purpose is to assist firms to build their inherent capabilities and achieve accelerated growth, meeting short and medium term business goals. Many businesses, particularly small and medium sized businesses, lack in house expertise and resources. This product is designed to bridge that 'gap'.

Performance coaching involves working alongside the management team within a business, helping them to put things in place, perhaps showing them or even telling them. This is different from mentoring, whereby the mentor works alongside individuals inside a business to get things done in a supportive role.

High Growth Coaching involves the coach helping businesses to assess their performance against and then set action plans against 7 core themes as part of the growth process. These core themes include:

- Performance Benchmarking
- Market Understanding
- Innovation
- Intellectual Property
- Investment Readiness
- Skills of the Workforce
- Leadership and Management

Results

The table below sets out the targets as laid down in the project offer letter:

Planned Outputs	Total all years
-----------------	-----------------

Number of businesses assisted to improve their performance	415
Planned Results	Total all years
Number of jobs created or safeguarded	400
Gross increase in GVA	€ 4,994,076
Planned Impacts	Total all years
None.	

The legacy of this project is to create a culture where businesses understand and appreciate the value of investing in this sort of support once the project has finished. Businesses supported through this project are also being encouraged to come together in peer to peer 'action learning sets' with the intention that these will become a self sustaining growth support structure for businesses once the project has finished.

Project Title: Westland Helicopters Ltd.

Technical Information:

Total Cost: € 1,163,832.72

EU contribution: € 348,115.81

Contact: Paul Readfern, Westland Helicopters Ltd., paul.readfern@agustawestland.com

Context

AgustaWestland's (AW) principal activities are the design, development, manufacture, sale and support of helicopters and allied products. It is one of the leading global designers and manufacturers of civil and military rotary wing aircraft. It also markets and supplies transmission systems that include reduction gearboxes, drive shafts, angle drives and rotor head and flight control devices. In addition, the company offers a variety of aviation training programmes for aircrew and ground staff.

As part of the growing training provision offered to customers the company plan an Operational Flying Training facility for specialist applications such as search and rescue and policing. This project will support the location of the next stage in the development of the AgustaWestland Training Organisation as AW is investing in an Operational Flying Training facility at Newquay Cornwall Airport.

The project is supported through the Grant for Business Investment (GBI) - a UK Government approved product in the "Solutions for Business" support portfolio. The scheme provides discretionary grants to support the development of the most disadvantaged regions in England by supporting sustainable investment and job creation. It promotes the expansion, rationalisation, modernisation and diversification of economic activities of businesses located in the Cornwall and the Isles of Scilly.

The Convergence Programme has four operational objectives which guide decision making in relation to investments:

1. Transforming the economy to a more knowledge based, high value added

<p>economy with a broad range of sectors, and a reduced dependence on low paid jobs</p> <ol style="list-style-type: none"> 2. Increasing the range of employment opportunities available to the community 3. Managing economic growth in a sustainable manner 4. Taking a leading role in investing in the drivers of a low carbon economy. <p>Projects within this framework directly contribute to achieving strategic objectives 1 and 2 and indirectly contribute to objectives 3 and 4.</p> <p>Projects supported under GBI will support the fourth key aim of Priority 2 within the Operational Programme, “Increase the scale of investment and re-investment by the private sector in Cornwall and the Isles of Scilly”. The most crucial contribution to the aims of priority 2 is that as the grant is paid in direct relation to the numbers of skilled jobs created, projects under this framework will significantly contribute towards Priority 2’s ambitious job creation targets. This intensification framework falls under strand two “High Growth Companies” and is Lisbon compliant code 08 “Other Investment in Firms”.</p> <p>As regards to the Regional Economic Strategy, projects under this framework will directly contribute to the first strategic objective “Successful and Competitive Businesses” and more specifically making investments that will support business productivity. This intensification also includes a commitment to looking at the environmental impact of each project in a drive towards securing productivity led growth within environmental limits which contributes towards the RES objectives, the Operational Programmes aims and the Agency’s Corporate Plan.</p>
<p>Project Description</p> <p>AgustaWestland will be investing in an Operational Flying Training facility at Newquay Cornwall Airport. The investment in Cornwall will be a €1.2 million investment in refurbishment of a hangar in Newquay and flight training equipment. The vision is to provide a world class training facility that embodies best practice within the military and civil training sectors. Not only will the new facility deliver flying training of the highest standard but it will also provide a working example of a model flying operation that can be. Such a facility will also provide an opportunity for the customer’s engineering and other support staff to gain practical experience under expert supervision as the capstone of their training.</p> <p>This will form part of the growing training provision offered to customers for specialist applications such as search and rescue and policing.</p> <p>Training is provided to both aircrew and ground crew and through a number of mechanisms and methods, including classroom, multimedia, computer, distance learning, simulators and ‘hands-on’ experience. The available courses range from basic training for unskilled personnel to specialised training for skilled personnel.</p> <p>Courses include:</p> <ul style="list-style-type: none"> • Technician basic training • Airframe type maintenance training • Power-plant operation and maintenance training • Electro-avionic type maintenance training • Repair and overhaul courses • Advanced / operational training • Cockpit procedures and mission training • Complex conditions and survival training <p>The support of the project will create 37 full time employment opportunities for pilots and</p>

support engineers.

Results

The table below sets out the targets as laid down in the project offer letter:

Westland Helicopters Limited should achieve a Gross Value Added (GVA) per Full Time Equivalent (FTE) employee of €130,236 by year ended 31 December 2012

Employment

a)	Number of people directly employed by Westland Helicopters Limited at the Premises before the Project:	0
b)	Number of permanent full time jobs and equivalent to be safeguarded in Westland Helicopters Limited at the Premises as part of the Project broken down as follows:	0
c)	Number of permanent full time jobs and equivalent to be created in Westland Helicopters Limited at the Premises as part of the Project:	37
d)	Number of permanent full time jobs and equivalent in Westland Helicopters Limited at the Premises outside of the Project:	0

Job Target ((b) + (c)) = 37

The following wider benefits of the project for Cornwall and the Isles of Scilly have also been identified:

- new and significant investment in Cornwall by one of the South West's strategic companies
- skills development in the local economy as the new workforce, locally recruited where possible, are trained to the exacting requirements of a global
- good 'fit' with development proposals for Newquay airport and re-use of existing infrastructure (hangar etc). Strong support by airport operators.
- Additional business for Newquay Airport and additional local sourcing.
- inbound year round 'tourism' as foreign trainees (estimated 80-100 annually) are based at Newquay
- proposals by the applicant to reduce carbon footprint as far as possible commensurate with the activity e.g. maximising use of simulation, keeping aircraft weights to a minimum to reduce CO2 emissions, energy saving measures in building refurbishment
- potential for further development.

Project Title: Cornwall Next Generation Broadband Access

Technical Information:

Total Cost: € 118,910,845.59

EU contribution: € 61,465,992.65

Contact: Ranulf Scarbrough, British Telecom (BT) , ranulf.scarbrough@bt.com

Context

The aim of the project is to transform Cornwall and the Isles of Scilly, economically and socially, by providing a next generation broadband network, including the infrastructure, a wholesale platform and end-user applications, across the whole of the area. Left to normal market forces provision of Next Generation Access is predicted to lag six years behind the rest

of the UK and Europe and comprehensive coverage would never be achieved. The investment will transform Cornwall's economy by providing a Next Generation Broadband network for high growth, high value businesses to increase productivity, innovation, collaboration and global opportunities.

The Convergence Operational Programme describes the limitations imposed by the current broadband technology and the opportunities provided by a future proof solution. The project was submitted under **Priority 3 – Transformational Infrastructure** - which provides support for investment that will enable a technical solution to develop competitive infrastructure for the business community. The project was submitted to the European Commission under its **Major Project Procedure**. The project specifically targets category 10 of Lisbon-type interventions: Telephone infrastructure, including broadband networks.

The Next Generation Broadband (NGB) project represents the single largest and most transformational ERDF investment that the Convergence programme will make. It provides the platform upon which a high earning knowledge economy can be built and thrive, and it links together and adds value to virtually all other investments in the programme. The project contributes to the **four operational objectives of the OP as well as Lisbon and Gothenburg agendas**:

- *Transforming the economy to a more knowledge based, high value added economy with a broader range of sectors, and a reduced dependence on low paid jobs.* The deployment will target high growth high value businesses, and complementary business support will ensure target businesses can maximise productivity, innovation, collaboration and global opportunities.
- *Increasing the range and quality of employment opportunities available to the community.* As one of the best connected counties in the EU, Cornwall's businesses will have the opportunity to become producers rather than consumers of NGB content and applications, and new businesses will be attracted to the county. Improved access to work by people affected by mobility or rural isolation will widen quality employment opportunities.
- *Managing economic growth in a sustainable manner.* This is a significant investment that will upgrade Cornwall's current telecommunications infrastructure to a fibre based solution that will serve the county for decades, providing ongoing socio-economic benefits.
- *Taking a leading role in investing in the drivers of a low carbon economy, including increased carbon literacy, overcoming market failure, and accelerating technological change.* Cornwall's NGB network will play a major role in moving towards a low carbon economy by significantly reducing the need to travel to work, whilst at work and to access services such as education and care.

The project will ensure strong coordination between the ERDF and ESF investments, and work closely with the strand of ESF funding identified to uplift the skills needed to maximise the business benefit from the investment.

Project Description

The Next Generation Broadband for Cornwall and the Isles of Scilly project, which supports rural and urban businesses, is one of the key priorities of the Convergence Operational Programme.

The Next Generation Broadband (NGB*) investment represents the single largest and most transformational ERDF investment that the Convergence programme will make. It contributes towards the programme's operational objectives by providing the platform for economic transformation to a more knowledge based, high value added, lower carbon economy. The project links together and adds value to virtually all other investments in the programme,

including, place based regeneration activity, innovation centres and the Combined Universities in Cornwall developments.

The primary purpose of this project is to ensure that targeted high growth, high value businesses, including start-ups, those with potential to develop, and inward investors, have access to NGB services. The number of targeted businesses will be maximised by ensuring early deployment to business parks and other areas of Convergence activity, providing fibre connectivity with up to 100Mb/s capability. High value businesses will be prioritised for connection within the rollout plan wherever possible and will be selected for higher speed solutions where this is achievable.

Targeted high growth high value businesses connected:

Year 1 – 400-500
Year 2 – 1000-1200
Year 3 – 1800-2000
Year 4 – 2200-2400

By the end of Year 4, a fibre based solution will be available to 90% of all Cornwall's businesses, and a total of 10,000 of Cornwall's 25,000 businesses will be connected. More than half of these will have access to the highest speeds with a Fibre-to-the-Premises (FTTP) solution.

The infrastructure will be built, owned and operated by BT. There will be an obligation to ensure open access to wholesale services by all service providers. Demand stimulation activities, focussing on business take-up will target the high growth, high-value businesses, will be included in this project. Business Support activities, funded through complementary activity in Priority Axis 2, will ensure that the high growth and high value businesses can maximise productivity, innovation, collaboration and global opportunities.

Access to superfast broadband in the wider community is hugely important in order to attract and retain high value businesses in Cornwall. The BT proposal offers wide coverage, with a fibre rich solution available to 86% of all premises. This scale deployment provides the commercial incentive for BT and helps the feasibility of their business case. Wider coverage in turn drive significant wider socio-economic benefits, including the ability to work more flexibly from home, to start up knowledge businesses, attract inward investors, and the opportunity to develop innovative new NGB content and applications. The scale will also ensure the network becomes attractive to multiple communication providers, maximising competition and innovation within the market.

This investment will truly transform the economic performance of Cornwall by focussing on connecting high growth high value businesses, maximising their potential to create wealth through connection. It will make Cornwall one of Europe's best connected counties, overcoming peripherality and giving target businesses a head start in a global economy.

* NGB is defined by Ofcom, the UK telecommunications regulator, as "broadband access services that are capable of delivering sustained bandwidths significantly in excess of those currently available using existing local access infrastructures or technologies".

Results

The table below sets out the targets as laid down in the project offer letter:

Planned Outputs	Total all years	Achievement Date
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Major investment project delivered in accordance with the Grant Recipient's ITSFB Response and achieving 100% coverage.	1	30 June 2014
Planned Results	Total all years	Achievement Date
Businesses benefitting from upgraded ICT infrastructure.	10,000	30 June 2014
Planned Impacts	Total all years	Achievement Date
None.		

Project Title: Widening Participation on HE – Dunheved House, Launceston
Technical Information: Total Cost: € 1,062,589.62 EU contribution: € 531,294.81 Contact: Sandra Rothwell, Cornwall Council , srothwell@cornwall.gov.uk
Context <p>North Cornwall has been identified as having particularly poor rates of higher education participation, whilst there is recognition that its individuals and businesses have a need for higher level skills. This proposal aims to develop one centre in Launceston through which to improve access to Higher Education (HE). The learning centre will deliver HE programmes through a flexible delivery model, using latest video conference and IT based learning techniques.</p> <p>This proposal directly supports the aim of Priority 3 of the Convergence Operational Programme 2007-13 to enable the development of transformational infrastructure to develop a knowledge based and more modern economy, with a reduced dependence on lower paid and lower skilled employment. The project will develop infrastructure for the connection of individuals in North Cornwall to Higher Education who are typically further than 30 minutes travelling time from their nearest institution. Activities will focus upon the use of technology and pedagogic innovation that ensures that learning experiences are not compromised through location and personal circumstances. It supports the following category 75 (Education infrastructure) of the Lisbon reference codes.</p> <p>This project directly addresses a number of the Regional and Cornwall-specific priorities as outlined in the Regional Economic Strategy (RES) through investment in physical and human capital which in turn will uncover resources of skills, entrepreneurship, innovation and competitiveness. The project , more specifically supports the following measures):</p> <ul style="list-style-type: none"> • 1A - Support business productivity: by enabling businesses to continue to build on productivity improvements through providing access to the resource of higher education. • 1C - Deliver skills for the economy: by increasing levels of participation in higher education. • 2A - Improve participation in the economy: by removing the barriers that prevent people accessing higher education and getting into work and business. • 2B - Regenerate the most disadvantaged areas: by providing real opportunities to undertake higher education for communities who are greater than 30mins from access higher education.

The proposal complements the **South West Regional Skills Strategy** by encouraging more young people from all backgrounds to progress to, gain qualifications and aspire to Higher Education.

The Widening access and improving participation in higher education is a crucial part of the Higher Education Funding Council for England (HEFCE) mission and forms one of the strategic aims in the **HEFCE Strategic Plan 2006-2011**. The Launceston Learning Centre will promote and provide the opportunity of successful participation in higher education for communities within the Launceston and surrounding areas who are currently further than 30 minutes from accessing higher education therefore promoting for social justice and economic competitiveness. The project will meet priorities outlined in **Strategy and Action 2007-2021**:

- Focused Support to Growth Businesses – by helping businesses compete globally by creating an access point to higher education.
- Structured Skills Development Programme – by using video conferencing and IT based learning to enable achievement at higher levels.
- Transformation into an Information Society for All – by providing access for businesses to higher education, skills and training through ICT.
- Building Sustainable Communities for a Rural Knowledge Economy – by developing a networked rural knowledge economy through creating an access point to higher education in an area where the community has to travel longer than 30 minutes to higher education.

This initiative will also support the national **Aimhigher** programme by enabling access to higher education and thereby raising the aspirations and developing the abilities of young people from communities who traditionally have to travel 30 minutes or more to higher education. Cornwall College have been running a series of projects over a number of years which target a range of under-represented groups, i.e. school leavers, apprentices, hard-to-reach groups within communities. A range of targeted activities have been delivered which can be replicated to encourage participation in North Cornwall: Master classes, success events, HE taster days, visits, summer schools etc.

Launceston Learning Centre will be complementary to the **Finding a Digital Infrastructure Investor for Cornwall** project, the successor to Act Now, which aims to provide a Next Generation Broadband infrastructure and end user applications. Launceston Learning Centre will endeavour to provide access to the highest broadband speed available for businesses via implementation of the latest digital technology.

Project Description

The establishment of a Learning Centre at Dunheved House in Launceston which will deliver Higher Education programmes through a flexible delivery model using latest video conference and IT based learning techniques to allow learners to fit their studies around their work and domestic commitments.

The programme will deliver a range of HE modules as per the CUC North Cornwall Academic Plan. Each of the modules will be tailored through a curriculum development process to enable them to be delivered via blended learning. A HE Mentor Co-ordinator will be employed to ensure successful implementation and delivery of the project.

The development of the Launceston HE learning centre will enable the support for higher education and improved workforce development which underpin the knowledge economy through the creation of access points linked to the key growth sectors of Tourism, Business and ICT plus, the Health Care sectors.

Results

The table below sets out the targets as laid down in the project offer letter:

Planned Outputs	Total all years	Achievement Date
None		
Planned Results	Total all years	Achievement Date
None		
Planned Impacts	Total all years	Achievement Date
Net Additional GVA	€ 578,482	30 September 2014

Non Operational Programme Targets

Target	Total all years	Achievement Date
New Higher Education Learning Centre	1	30 September 2011
Learning Centre developed achieving BREEAM (BRE Environmental Assessment Method) "Very Good"	1	30 September 2011
Businesses using new infrastructure	34	30 July 2015
Higher Education FTEs using new infrastructure	64	30 July 2015

The project also aspires to provide improved connectivity between individuals and businesses to Higher Education in North Cornwall with an objective of developing a better skilled 'labour pool'.

Project Title: Widening Participation on HE – Dunheved House, Launceston

Technical Information:

Total Cost: € 1,062,589.62

EU contribution: € 531,294.81

Contact: Sandra Rothwell, Cornwall Council , srothwell@cornwall.gov.uk

Context

North Cornwall has been identified as having particularly poor rates of higher education participation, whilst there is recognition that its individuals and businesses have a need for higher level skills. This proposal aims to develop one centre in Launceston through which to improve access to Higher Education (HE). The learning centre will deliver HE programmes through a flexible delivery model, using latest video conference and IT based learning techniques.

This proposal directly supports the aim of **Priority 3 of the Convergence Operational Programme 2007-13** to enable the development of transformational infrastructure to develop a

knowledge based and more modern economy, with a reduced dependence on lower paid and lower skilled employment. The project will develop infrastructure for the connection of individuals in North Cornwall to Higher Education who are typically further than 30 minutes travelling time from their nearest institution. Activities will focus upon the use of technology and pedagogic innovation that ensures that learning experiences are not compromised through location and personal circumstances. It supports the following category 75 (Education infrastructure) of the Lisbon reference codes.

This project directly addresses a number of the Regional and Cornwall-specific priorities as outlined in the **Regional Economic Strategy (RES)** through investment in physical and human capital which in turn will uncover resources of skills, entrepreneurship, innovation and competitiveness. The project , more specifically supports the following measures):

- 1A - Support business productivity: by enabling businesses to continue to build on productivity improvements through providing access to the resource of higher education.
- 1C - Deliver skills for the economy: by increasing levels of participation in higher education.
- 2A - Improve participation in the economy: by removing the barriers that prevent people accessing higher education and getting into work and business.
- 2B - Regenerate the most disadvantaged areas: by providing real opportunities to undertake higher education for communities who are greater than 30mins from access higher education.

The proposal complements the **South West Regional Skills Strategy** by encouraging more young people from all backgrounds to progress to, gain qualifications and aspire to Higher Education.

The Widening access and improving participation in higher education is a crucial part of the Higher Education Funding Council for England (HEFCE) mission and forms one of the strategic aims in the **HEFCE Strategic Plan 2006-2011**. The Launceston Learning Centre will promote and provide the opportunity of successful participation in higher education for communities within the Launceston and surrounding areas who are currently further than 30 minutes from accessing higher education therefore promoting for social justice and economic competitiveness. The project will meet priorities outlined in **Strategy and Action 2007-2021**:

- Focused Support to Growth Businesses – by helping businesses compete globally by creating an access point to higher education.
- Structured Skills Development Programme – by using video conferencing and IT based learning to enable achievement at higher levels.
- Transformation into an Information Society for All – by providing access for businesses to higher education, skills and training through ICT.
- Building Sustainable Communities for a Rural Knowledge Economy – by developing a networked rural knowledge economy through creating an access point to higher education in an area where the community has to travel longer than 30 minutes to higher education.

This initiative will also support the national **Aimhigher** programme by enabling access to higher education and thereby raising the aspirations and developing the abilities of young people from communities who traditionally have to travel 30 minutes or more to higher education. Cornwall College have been running a series of projects over a number of years which target a range of under-represented groups, i.e. school leavers, apprentices, hard-to-reach groups within communities. A range of targeted activities have been delivered which can be replicated to encourage participation in North Cornwall: Master classes, success events, HE taster days, visits, summer schools etc.

Launceston Learning Centre will be complementary to the **Finding a Digital Infrastructure Investor for Cornwall** project, the successor to Act Now, which aims to provide a Next Generation Broadband infrastructure and end user applications. Launceston Learning Centre will endeavour to provide access to the highest broadband speed available for businesses via implementation of the latest digital technology.

Project Description

The establishment of a Learning Centre at Dunheved House in Launceston which will deliver Higher Education programmes through a flexible delivery model using latest video conference and IT based learning techniques to allow learners to fit their studies around their work and domestic commitments.

The programme will deliver a range of HE modules as per the CUC North Cornwall Academic Plan. Each of the modules will be tailored through a curriculum development process to enable them to be delivered via blended learning. A HE Mentor Co-ordinator will be employed to ensure successful implementation and delivery of the project.

The development of the Launceston HE learning centre will enable the support for higher education and improved workforce development which underpin the knowledge economy through the creation of access points linked to the key growth sectors of Tourism, Business and ICT plus, the Health Care sectors.

Results

The table below sets out the targets as laid down in the project offer letter:

Planned Outputs	Total all years	Achievement Date
None		
Planned Results	Total all years	Achievement Date
None		
Planned Impacts	Total all years	Achievement Date
Net Additional GVA	€ 578,482	30 September 2014

Non Operational Programme Targets

Target	Total all years	Achievement Date
New Higher Education Learning Centre	1	30 September 2011
Learning Centre developed achieving BREEAM (BRE Environmental Assessment Method) "Very Good"	1	30 September 2011
Businesses using new infrastructure	34	30 July 2015
Higher Education FTEs using new infrastructure	64	30 July 2015

The project also aspires to provide improved connectivity between individuals and businesses to Higher Education in North Cornwall with an objective of developing a better skilled 'labour pool'.

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Project Title: Accommodation Plots 7& 8 Treleigh Industrial Estate
Technical Information: Total Cost: € 3,018,141.08 EU contribution: € 1,012,840.07 Contact: Robert McGuffie, Priority Sites Ltd., robertmcguffie@prioritysites.co.uk
Context <p>The aim of the project is to contribute to the economic and physical regeneration of the Camborne Pool Redruth area in Cornwall by providing high quality workspace for new, existing and growing businesses to support the development of a modern, knowledge based economy.</p> <p>It will create a range of high quality industrial units with varying sizes of internal office accommodation, which will meet the needs and demands of business from around Cornwall. The buildings will be highly flexible and adaptable with the internal space being adaptable for a multitude of uses.</p> <p>This project is included within the Camborne Pool Redruth Strategic Investment Framework, and the area is identified as requiring 'specific interventions' to unlock significant economic opportunities' within Priority 4 – Unlocking the Economic Potential of Place - of the Convergence Operational Programme. In particular it will increase the supply of quality workspace to address a shortfall which is identified as 'a constraint on economic and the growth of individual companies'.</p> <p>The project supports the Lisbon agenda by providing a modern, positive environment for businesses to operate and by attracting high value companies to the area - the type of companies that contribute to the development of an economy by providing high value jobs and achieving high rates of growth. It falls within the following Lisbon categories of intervention: 08 (Other investment in firms).</p> <p>At regional and local level, the project supports:</p> <ul style="list-style-type: none"> • The Regional Economic Strategy and in particular its priorities 1A –Support Business Productivity by providing new modern workspace to improve operational efficiency and 2B – Regenerate the Most Disadvantaged Areas by providing new job opportunities by increasing the stock of workspace. • Cornwall County's Economic Strategy 'Strategy in Action' and in particular Theme 1 – Improve Competitiveness by 'creating appropriate workspace' which 'provides quality employment in areas that can be accessed by rural and deprived communities, ... promote high levels of sustainability ...'