

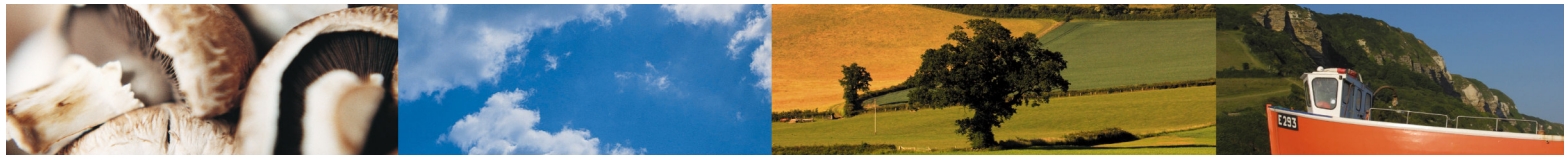


Overview of use of LEADER & EU Structural Funds for Economic Development in Cornwall

Developing Broadband in Poland – Barriers and Risks

National Institute for Technology,
Warsaw, Poland
10th January 2006

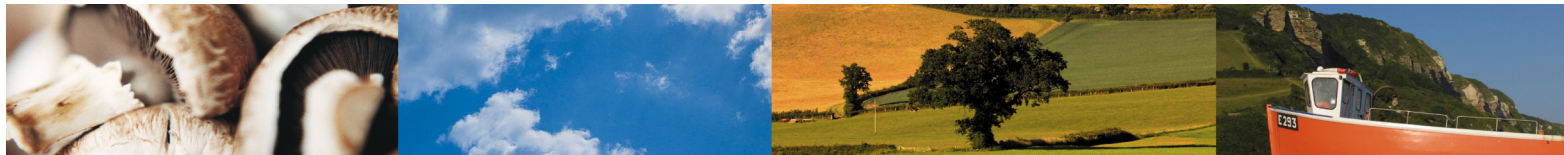
Len Smith
Head of Project Development
Cornwall Enterprise





Presentation

1. Introduction
2. Profile of Cornwall
3. Structural Fund Programme Experience in Cornwall
4. The Approach to LEADER in Cornwall
5. The Objective One Programme for Cornwall & the Isles of Scilly
6. The Future

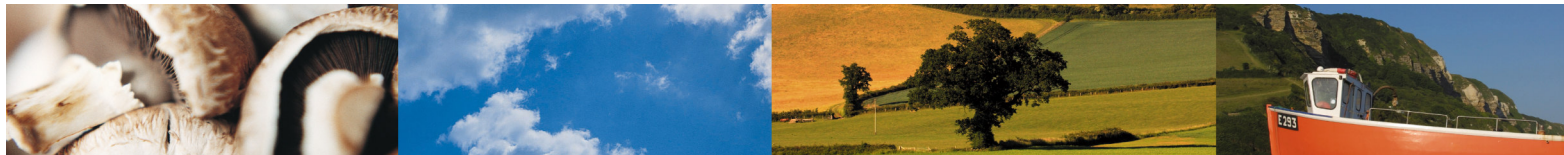




Introduction

Len Smith

- **Head of Project Development @ Cornwall Enterprise**
- **Private sector background until 1996**
- **10 years experience of working with structural funds**
- **Managed a LEADER II Programme from 96 – 2000**
- **Vice Chair of England LEADER Network**
- **Joined Cornwall Enterprise in September 2000**

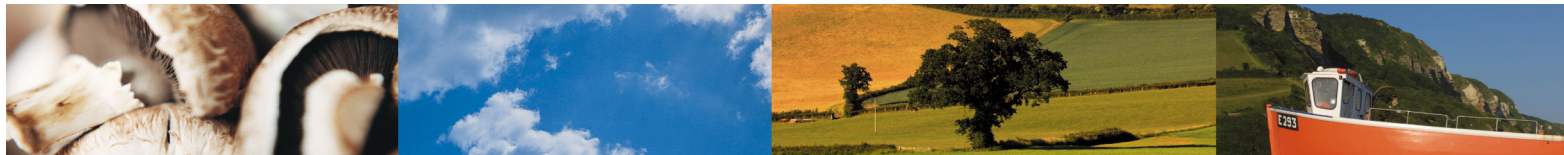




Introduction

Cornwall Enterprise

- Non profit distributing company
- Wholly owned by Cornwall County Council
- Created in April 1999, prior to commencement of Cornwall's Objective One Programme
- Employs around 180 staff
- Turnover of around £15 million
- Mission – “Achieving prosperity for Cornwall”

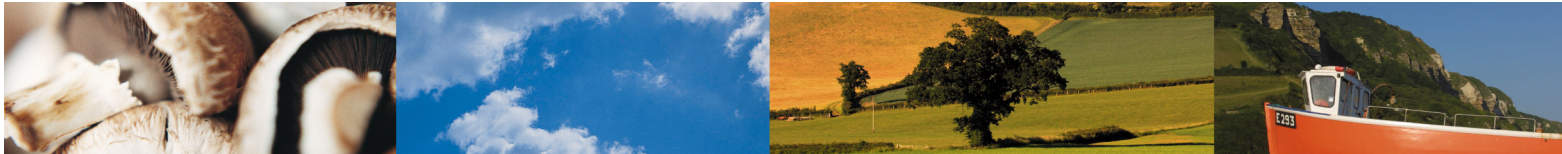




Introduction

Cornwall Enterprise Divisions

- Marketing
- Enterprise Services
- Training
- Partnership & Fund Services
- Finance and Administration
- Project Development

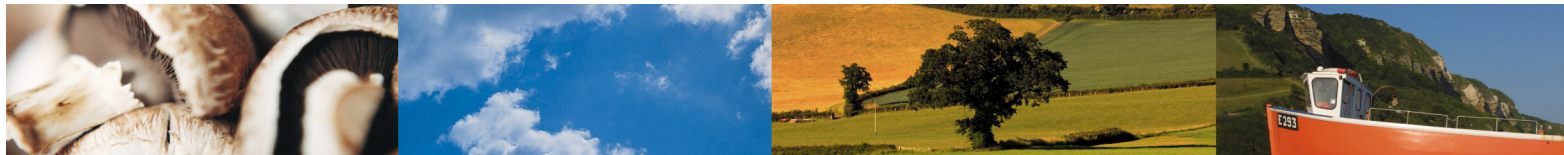




Introduction

Project Development Division

- **Hosting**
- **Funding Information Service**
- **Project Development & Project Management Service**
- **Recently employed a Business Development Manager to develop a viable commercial business by winning work outside of Cornwall**

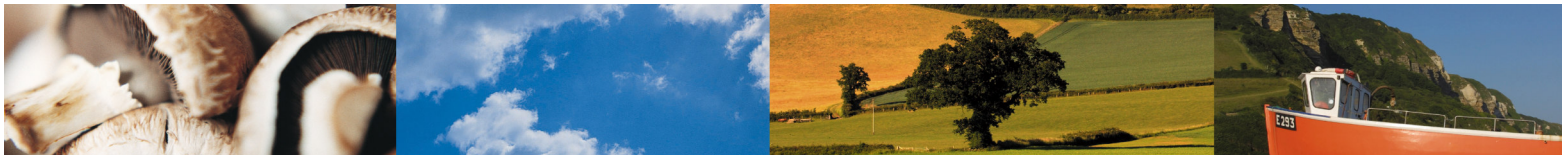




Introduction

Project Development Division

- **27 staff**
- **Turnover around £1.8 million**
- **Funding secured**
 - **Around £120 million of funding secured for key strategic economic development projects for Cornwall in the last 2 years**

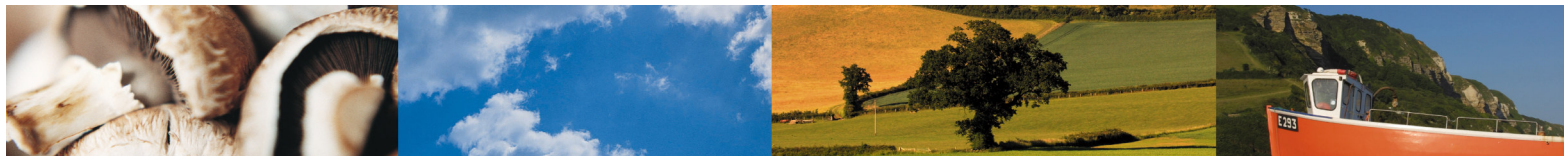




Profile of Cornwall

Geography

- **Peripheral location in the extreme SW of England**
 - **Penzance around 280 miles from London**
- **Superb natural environment**
- **Rural & maritime county**
- **Very strong identity**

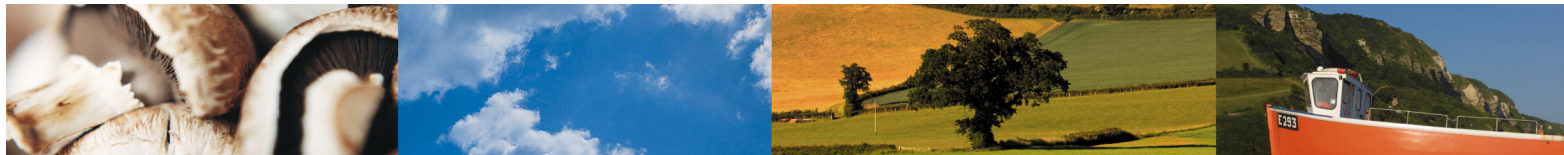




Profile of Cornwall

Population

- **Current population of around 500,000**
- **Increased by around 30% since 1971, due entirely to net in-migration**
- **Very low population density**
- **9 settlements > 10,000 people, where around 30% of the population live**

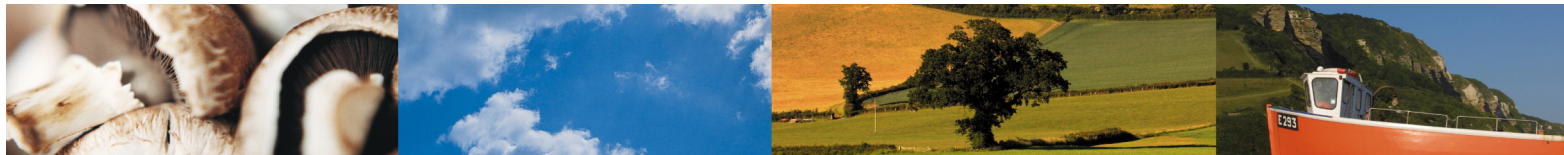




Profile of Cornwall

Infrastructure

- Reasonable road & rail connections
 - Main spine road struggles to cope with excess traffic @ certain times of the summer
 - Around 5 hours to London by rail from Penzance
- Reasonable air connections to UK Hubs from Newquay Airport
- A number of working ports & many small harbours
- **First class broadband connectivity**

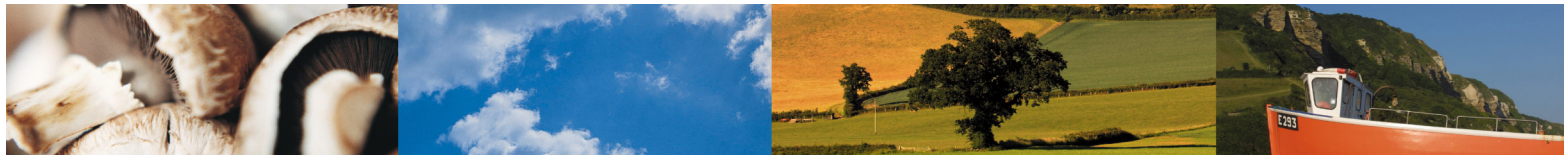




Profile of Cornwall

Economy

- **Traditional industries declined over last 30 years**
 - Mining
 - Fishing
 - Agriculture
- **Tourism accounts for a high proportion of all employment**
- **Large numbers of Small & Medium Sized Businesses, particularly micro businesses**



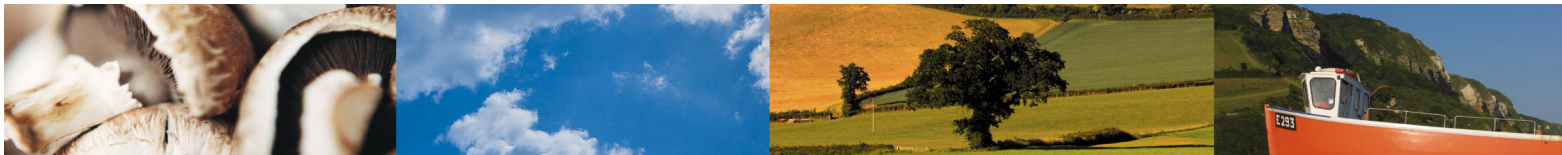


Profile of Cornwall

Economy

➤ Key Sectors for Growth

- Food & Drink
- Creative Industries, including media & film
- Marine
- Tourism
- Environmental technologies
- **ICT**

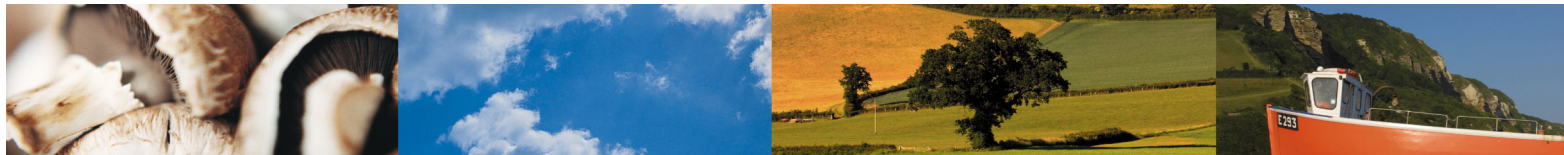




Profile of Cornwall

Economy

- Unemployment above national average, particularly in the winter but has fallen in recent years
- Low average earnings
- Historically Cornwall has been good @ creating jobs, but less good @ creating good quality jobs
- Result – GDP/Head was 71% of the EU Average in 1996

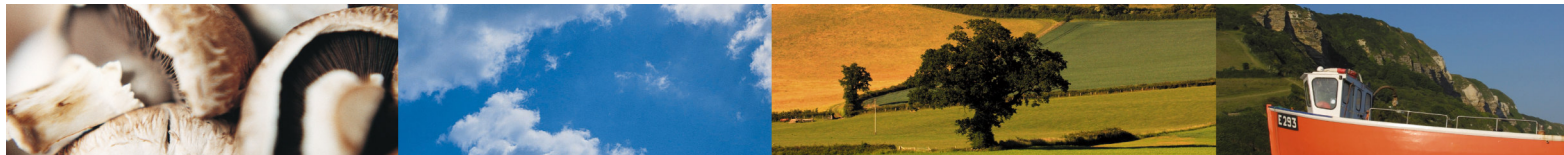




Profile of Cornwall

Partnerships

- There is significant partnership working in Cornwall
- One of the key partnerships is The Cornwall Economic Forum – the overarching partnership for economic development in Cornwall
- CE provides a secretariat to this partnership
- This secretariat is responsible for the production of a 10 year economic strategy for Cornwall – Strategy & Action

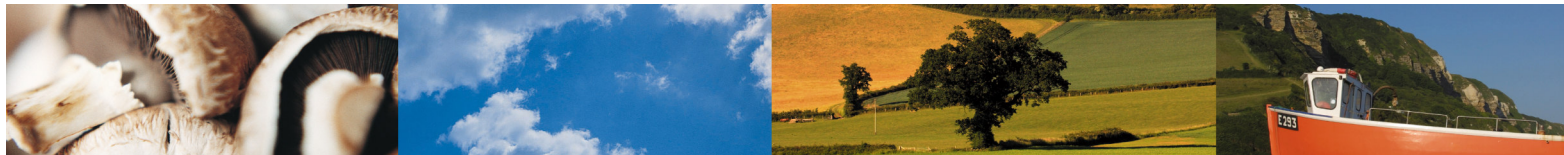




The History of Structural Fund Programmes in Cornwall

Cornwall has accessed support from the following Structural fund Programmes

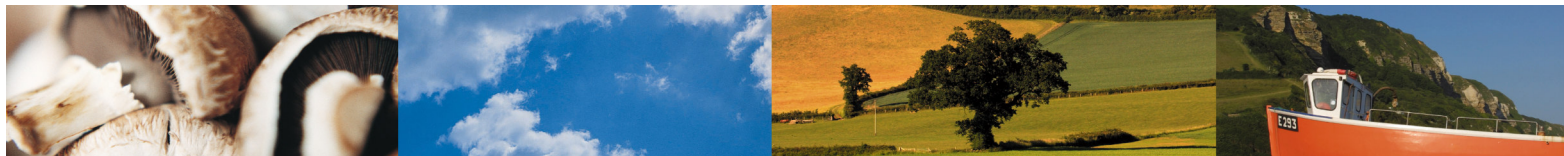
- **2 LEADER I Projects - 1992 to 1995**
- **4 LEADER II Projects - 1996 to 1999**
- **Objective 5b - 1996 to 1999**
- **KONVER - 1996 to 1999**
- **Objective One - 2000 to 2006**
- **Interreg – 2000 to 2006**





The LEADER Approach in Cornwall

- A community initiative used to bring economic improvements to rural areas
- An Integrated Area Plan (IAP) sets the strategy, budget and describes delivery mechanisms
- Local facilitation is provided, with core staff employed through a LEADER project
- Local stakeholder engagement through a Local Action Group, with broad local representation
- All projects are endorsed by the LAG

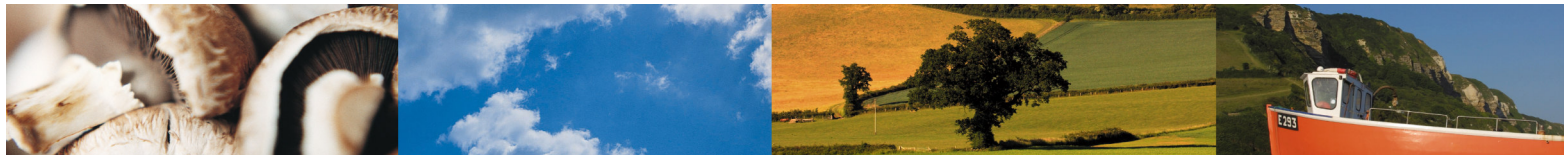




The LEADER Approach in Cornwall

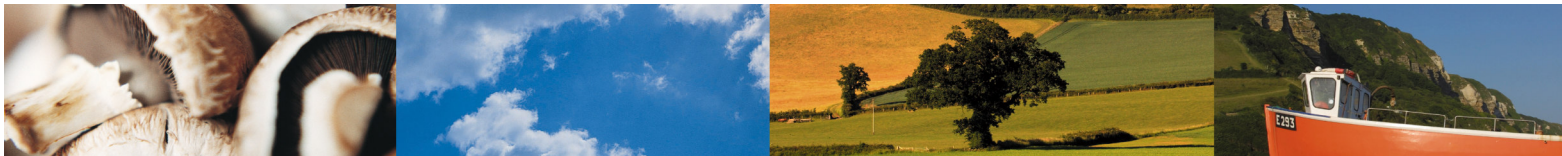
•Key features

- Modest budgets
- Community engagement
- Innovation
- Capacity building
- Evidence gathering
- Trans-national co-operation
- LEADER approach, some project activity & some key people progressed into O1



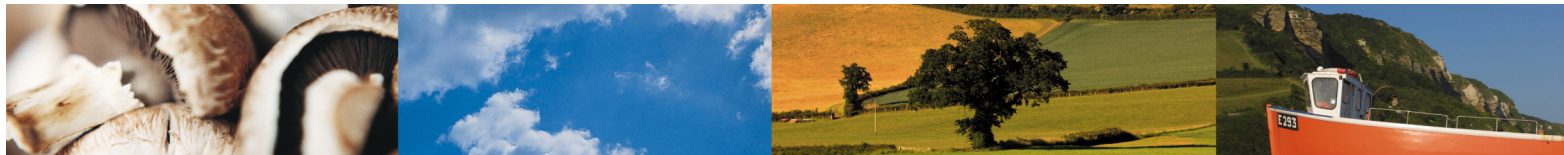
Some key lessons from LEADER II

- Community development is hard work
- EU funding is bureaucratic, with inherent risk
- Grey areas
- It's generally easier to do than to facilitate
- Managing expectations is extremely important
- Early wins help
- Good robust business planning is as important in community development as it is in the commercial world
- Trans-national work did no more than share best (& sometimes good & even indifferent) practice



More Lessons of LEADER II

- **Good partnership working can provide great long term solutions, but is often not the best approach to achieve short-term results**
- **Systems are important, but having the right team is fundamental**
- **An area's ability to access funding is inversely proportional to its needs**
- **Beware the search for absolute prosperity - it will increase inequalities**

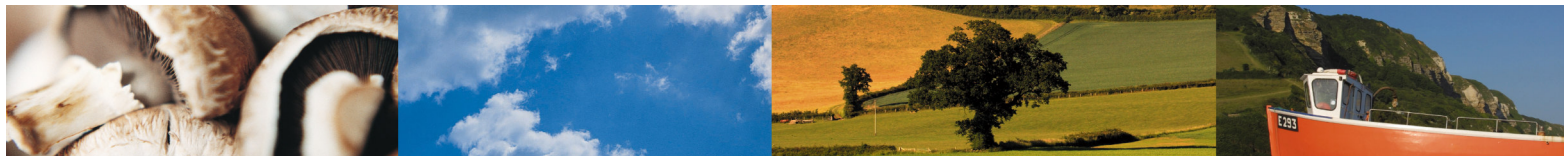




The Objective One Programme for Cornwall & the Isles of Scilly

The Single Programming Document & Programme Complement

- Jointly form a business plan for the Programme (>500 pages)
- Set out the priorities & cross cutting themes for the programme
- Provide some of the evidence for the programme's priorities
- Explain some of the processes for the programme
- Identify budgets and target outputs





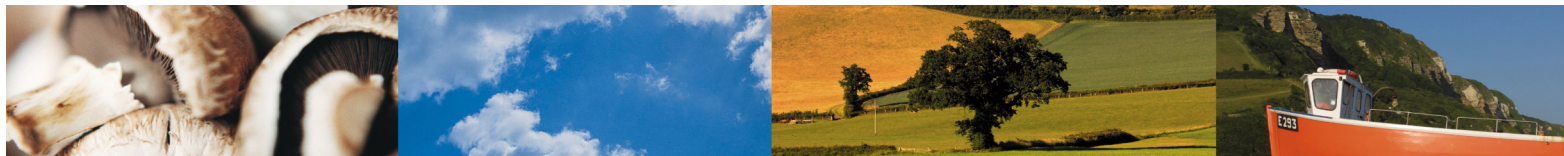
The Objective One Programme for Cornwall & the Isles of Scilly

➤ Vision

- To create a prosperous Cornwall and Scilly where all people and communities share in an improving quality of life

➤ Strategic Objectives

1. To increase absolute prosperity
2. To create sustainable communities
3. To capitalise on the economic opportunities of the distinctiveness of Cornwall and Scilly



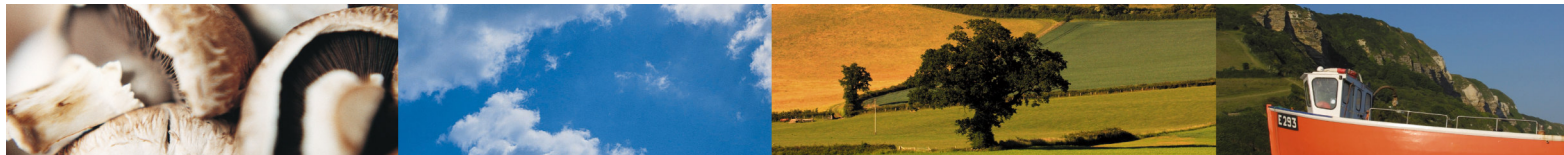


The Objective One Programme for Cornwall & the Isles of Scilly

Indicative Programme Finances 2000-2006

EU	498 million Euros
UK Public Sector	483 million Euros
Private Sector	200 million Euros
Total	1,181 million Euros

▶▶ Programme value in £s is a moving feast

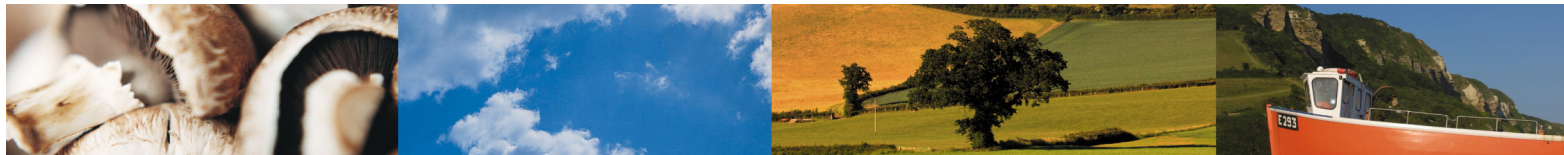




The Objective One Programme for Cornwall & the Isles of Scilly

Programme Priorities

1. Small and micro business support
2. Strategic investments
3. Developing people
4. Community economic development and rural structural adjustment
5. Regional distinctiveness

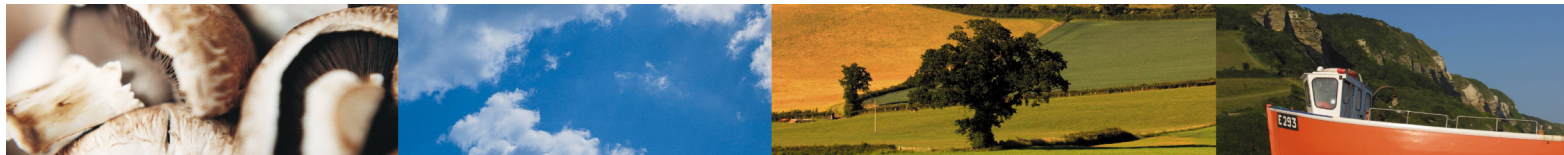




The Objective One Programme for Cornwall & the Isles of Scilly

Three Cross-Cutting Themes

1. Equal Opportunities
2. Information Society
3. Environment

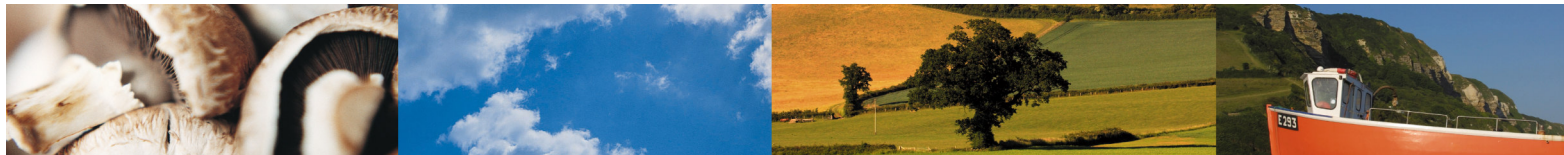




The Objective One Programme for Cornwall & the Isles of Scilly

Priority Project Examples Include: -

- Cornwall Pure Business
- Newquay Airport
- Business incubation
- Workspace
- DACOM
- **actnow**





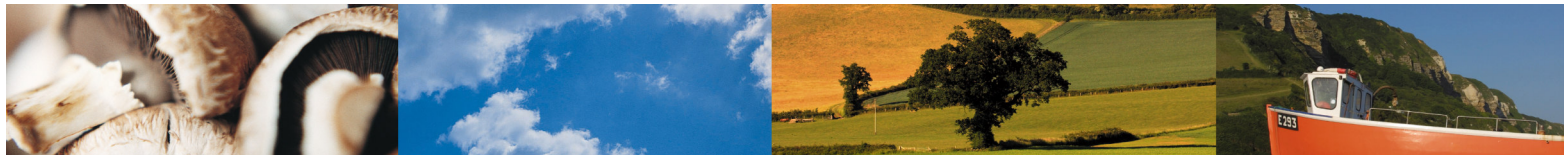
The Objective One Programme for Cornwall & the Isles of Scilly

Programme Management Arrangements

- **Government Office for the South West - provide secretariat**

- **Appraisal process**
 - **Priority Management Groups**
 - **Working Group**

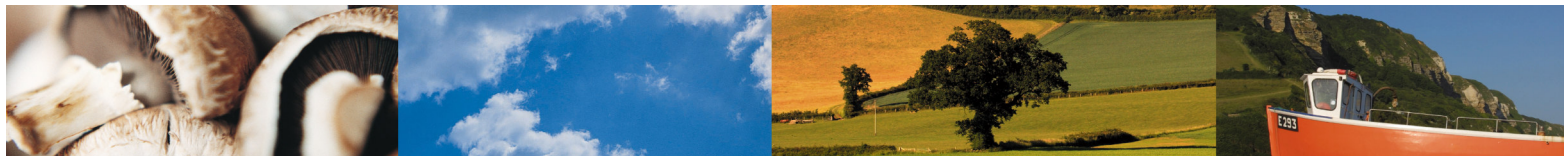
- **Delivery process**
 - **Task Forces**
 - **Strategic Development Group**



The Objective One Programme for Cornwall & the Isles of Scilly - Progress So Far

Projects approved – number and investment value by fund - as of 14th December 2005

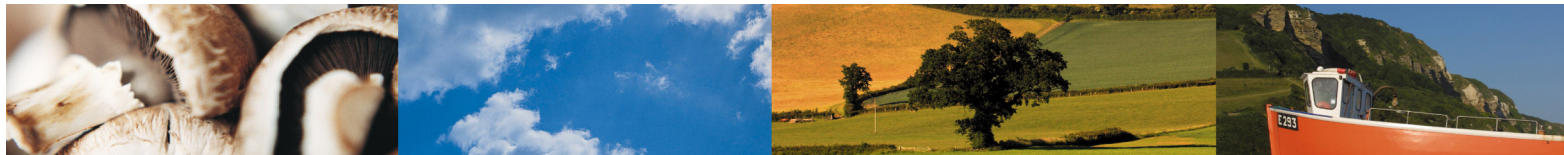
Fund	No of approved projects	Value EU Funding Committed	SPD EU Allocation	% Committed	Value of EU Funding Spent
EAGGF	132	£50.8m	£53.9m	94.2%	£35.6m
ERDF	239	£198.7m	£223.1m	89.1%	£132.7m
ESF	134	£62.8m	£66.7m	94.2%	£40.3m
FIFG	244	£8.6m	£11.5m	74.8%	£6.9m
Total	749	£320.9m	£355.2m	90.3%	£215.5m





The Objective One Programme for Cornwall & the Isles of Scilly

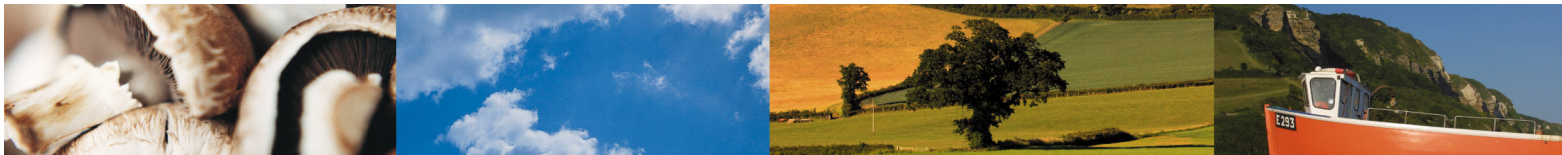
- It was acknowledged by Brussels that the programme is being successfully delivered & consequently...
- Performance Reserve Bonus
 - The programme secured a £17.15 million bonus from the EU





The Future

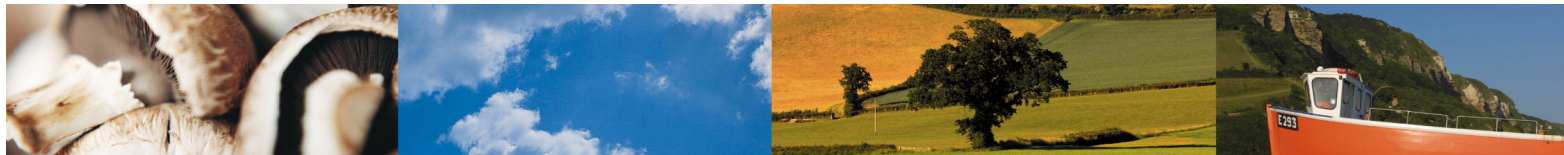
- **Cornwall is the only English region to qualify for O1 support (Convergence) post 2006**
- **Recent indications are that the budget is likely to be in the region of £500m of EU funding**





The Future - Cornwall

- Qualifying as a Convergence region should not be judged as failure
- Strong feel good factor
- Resilient people
- Historically, Cornwall's economy has been built on the "place"
- It now has aspirations to move towards a **knowledge based economy**
- Involves competing on a world stage





The Future - CE

- **CE has built up great experience of using EU Structural Funds**
- **First class people**
- **Looking to sell consultancy services outside of Cornwall to**
 - **Promote Cornwall to the world**
 - **Provide financial independence**
 - **Retain capacity between programme**
- **www.cornwallenterprise.co.uk**

