

Minutes of a Meeting of the Cornwall and Isles of Scilly Economic Forum

10.30am on Thursday 25 May 2006

Boconnoc House, Lostwithiel

Present:

Bert Biscoe	Rural Cornwall and Isles of Scilly Partnership
Stephen Bohane	SW Regional Development Agency (SWRDA)
Julian Cowans	ICT Taskforce
Bob Dow	Business Link Devon and Cornwall
Malcolm Garrington	Cornwall and Isles of Scilly Economic Forum (Secretariat)
Peter Hardaker	Cornwall Agricultural Council
Lucy Harris	Cornwall and Isles of Scilly Economic Forum (Secretariat)
Jane Henderson	South West Regional Development Agency
Nigel Hewitt	Combined Universities in Cornwall
Rick Hopkins	Cornwall Business Partnership
Philip Hygate	Council of Isles of Scilly (Vice Chairman)
Colin Jarvis	Transport Task Force
Sheila Johns	TUC
Carleen Kelemen	Objective One Partnership Office
Andrew Mitchell	Cornwall County Council
Michelle O'Brien	Cornwall and Isles of Scilly Economic Forum (Secretariat)
David Pattison	Cornwall County Council
Alan Pearce	Jobcentre Plus (Substitute for Jill Harvey)
Neil Robertson	Cornwall and Isles of Scilly Economic Forum (Secretariat)
Angie Rowe	Restormel Borough Council
Carys Sanders	South West Regional Development Agency (SWRDA)
Thelma Sorensen	Cornwall Business Partnership (Chairman)
Blair Thomson	Cornwall Voluntary Sector Forum
Frank Twynning	Cornwall County Council
Stephen Warman	Environment Kernow
Carol Wells	Cornwall Business Partnership
Juliet Williams	South West Regional Development Agency
Gill Wilson	Carrick District Council

In attendance:

Julian Crowe	First Group
Brian Johnson	Virgin Trains
Tim Carter	Spyrys Project
Tim Anstis	Spyrys Project
Nigel Tipple	CPR Regeneration
Liz Duke	South West Regional Development Agency
John McCreadie	Ekos Consulting

1 Apologies

Apologies were received from: Nigel Ashcroft (ICT Taskforce); James Staughton, (Cornwall Destination Management Organisation), Jill Harvey (Jobcentre Plus); John Berry (Cornwall Enterprise; Richard Fish (Connecting Cornwall); Gordon Kelly (Combined Universities in Cornwall); Neil Hatton (Kerrier District Council); David Brewer (Cornwall Business Partnership); Neil Burden (North Cornwall District Council); Annette Egerton (Restormel

Borough Council); Gordon Kelly (Combined Universities in Cornwall); Hudson Smith (Penwith District Council)

Non Attendees

Gareth Grimshaw (Government Office South West); Tamzyn Smith (Creative Kernow); Alan Shepherd (Cornwall Marine Network); Bill George (Cornwall Association of Local Councils); Kath Pascoe (Caradon District Council); Malcolm Wright (Lifelong Learning Partnership); Barbara Ellenbroek (Cornwall Business Partnership)

2. Minutes of the meeting held 22 February 2006

The Minutes were agreed to be a true and accurate record.

3. Matters Arising

The Chairman warmly welcomed Jane Henderson, the new Chief Executive of the SW RDA to the meeting.

Page 2 Cornwall Destination Management Organisation

BB advised that the Chairman of the Cornwall Destination Management Organisation has resigned to concentrate his efforts on his business duties. James Staughton had written to the Chairman to inform her of his resignation and to pass on his good wishes to the Forum. Members wished him every success in the future and agreed that he should be formally thanked for his valuable longstanding contribution to the proceedings of the Forum.

Page 3 Head of Operations Report

SB advised that the issues with Beacon Technology Park in Bodmin have now been resolved; SWRDA are now on site and due to finish in July.

It was suggested that an amendment is made to the previous minutes to reflect the fact that it is the feasibility study for Truro/Falmouth rail passing project which is progressing well.

SWRDA are working with Penwith District Council on accommodating some Newlyn Seafood Park businesses in units within the harbour. The development at Long Rock is being progressed.

Page 6 National Strategic Reference Framework

BB requested that, due to its importance, the final copy of the CEF response to the NSRF be circulated. He also wanted to remind the authors that the Convergence Programme is for Cornwall and the Isles of Scilly.

Action: Secretariat to circulate NSRF final response.

4. Rail Issues

In opening his presentation, CJ welcomed Julian Crowe of First Group and Brian Johnson of Virgin Trains. He advised that the First Group had been awarded the franchise for rail in the South West and explained that issues, which had been raised from the bid process, had been looked at but pointed out that important decisions relating to the bid, had been imposed by Department for Transport (DfT) without wider discussion. The consultation on the timetable has raised many questions. This has not got off to a good start at DfT level and there is some opinion that the Government needs to invest more money in the rail services in the South West. A further concern for Cornwall will be the specifications of the North West franchise when it becomes available as these may threaten the long distance services from Cornwall to other parts of the Country.

The Truro/Falmouth branch line is a priority. CCC is working well with Network Rail and there have been positive discussions with First Group. As the DfT are not funding this project, the partners need to pick up all the costs. BB added that successful delivery of the passing place will build on the success of the Probus-Burngullow dualling. There are considerable benefits for industry in developing the rail network in Truro.

Julian Crowe from First Great Western, gave a presentation (available from the Secretariat) and advised that his company has been awarded the franchise for seven years, with an extension of three years if they do well. Their key objectives are as follows:-

- To build on their strong record of service delivery and investment
- To continue to set new standards for customer service
- Invest £200 million in a programme of continuous improvement
- To introduce a new regional management structure
- To tackle deep-rooted performance issues on the Greater Western network

Local fares would be reduced in the following month to increase the market and the Group is undergoing a re-branding exercise.

Trains will be refurbished over the next three years to make them cleaner and greener.

The new timetable was specified within the tender and had, consequently been out of their hands. However, First Group realised that some of the timetable decisions were not going to be popular around the region. They had, therefore, gone out to consultation. They had received over 5000 responses and petitions and have taken their suggestions back to the DfT. The revised timetable, which is coming out in December, is very different from that originally proposed. Although in some cases there are fewer trains than formerly, they have tried hard to minimise the negative affects. Julian Crowe advised that they are working with CCC in the scheme for St Erth Parkway in order to keep up the St Ives service and there will be two additional trains through to London, taking the number from seven per day to nine. The sleeper will be maintained and the issue of additional berths addressed. He advised that this service had been fully booked for the previous three weeks.

Julian Crowe offered to present to any other partnerships who may be interested. The Chairman thanked him for his presentation and First Group's excellent partnership working within Cornwall.

In response to a query regarding capital investment in the Truro/Falmouth branch line, Julian Crowe advised that there were no direct links but that CCC has the capital investment in place. They are currently analysing the demand study and looking at the resource gap. He advised that they were contributing to other schemes within Cornwall.

SJ reported on a negative rail travel experience and Julian Crowe advised that he would address the issues raised, adding that there is a review in the autumn of disabled facilities and access at stations.

Brian Johnson introduced Virgin Rail and gave a short background. He advised that this was a critical time as DfT are working out the details of the Cross Country franchise. Cross Country (Virgin Rail) are the national operator for non London intercity routes, First Great Western take passengers to London quickly. Cross Country cover 38 other stations in England. There are three long distance services daily in each direction going to and from Scotland. Two take the West Coast and one takes the East coast from Birmingham. They address connectivity and peripherality. Virgin won the franchise in 1997, at which point they renewed the fleet and enhanced the timetable in 2002. Since that time, the number of passengers has doubled and the customer satisfaction has improved by 22%. The franchise ends in November 2007 and DfT are currently finalising the specification for the new franchise which will run until 2016. Brian Johnson drew four key points to the group's

attention regarding the specification.

1. Will Cornwall be included in the Specification?
2. Do not assume that the existing routes and timetable will be within the new finance specification.
3. How will growth of 10% per year be accommodated?
4. Trains will be transferred to Euston from Cross Country, how will these be replaced?

Brian Johnson offered to talk to other organisations should they so wish. Contact details are available from the Secretariat.

Jane Henderson thanked Brian Johnson for the update and the forewarning. In her opinion, without the early rail services, business meetings out of the County would be impossible. There is an increasing business need and DfT need to be urged not to change the timetable. The members were advised to look at the consultation and make their views clear. Provided the DfT take a long term view, there is the possibility to increase train capacity.

In response to a query regarding growth and where it comes from, Brian Johnson advised that business travel now represents 28% of passengers. A geographical analysis has not yet been carried out.

BB thanked both speakers for talking to the partnership adding that it was a helpful approach as tourists carry home messages regarding their experiences in Cornwall and train links are a very important part of this. There is a strong market feed from the North West for both tourism and food products. Julian Crowe advised that the First Great Western had good links with tourism, but not with food industry. He would endeavour to communicate with the appropriate bodies in this respect. It was also felt that the Forum should be fighting to save the Newquay branch line.

5. Newquay Cornwall Airport Update

Andrew Mitchell circulated, and spoke to a handout on the current position regarding Newquay Cornwall Airport. He advised that the position was now at a crucial stage. The new arrival hall had been opened by Karen Buck, the then Transport Minister, who has since taken up another post within Government. Partners are working well together and an amount of £1.3million has been secured from Objective One funding to take the matter forward. The same amount has been underwritten by CCC who are looking to secure further funding from the SW RDA. Lawyers are now involved in the process and consultants are to be brought in. He confirmed that CCC are giving this matter their full commitment.

AM advised that the development of further routes is being looked at and that there is a large potential market in Germany and Northern France to be explored. CCC officers are working closely with the MOD to achieve the smooth transfer of the facility to CCC ownership, within a very tight timescale, while working towards achieving the Civil Aviation Authority licence and additional funds. He stressed that it is imperative that the business grows and is sustainable.

He added that the Airport Development Fee has not deterred other airlines as additional companies have begun operations at the airport since its introduction.

Route development continues and there has been a good response to marketing. The new terminal will be able to manage 500,000 per year, but will need to expand further if these passenger numbers grow. He added that he saw the venture as a public/private partnership and estimated that it would be four to five years before CCC will be in a position to look at whether to sell off elements to the private sector. TS stressed the importance of private sector involvement in the discussions on this issue at an early stage.

It was agreed that Cornwall should aim to have a Carbon-light airport and that it should be as environmentally friendly as technology will allow. It was felt that, in the future, there could be an opportunity to utilise the airport fee for environmental purposes. The environment is an economic driver and there is the potential to utilise Convergence funding to support this.

SW informed members of an event that is being co-ordinated by Environment Kernow in association with the Economic Forum on 21 June 2006 which, will in part, consider how the environment can benefit the economy.

6. South West RDA

Chief Executive's Report

Jane Henderson, the new Chief Executive of SWRDA highlighted a number of key issues to the members. She pointed out that the launch of revised Regional Economic Strategy (RES) had recently, successfully taken place and that this event had included a number of very important and useful debates. She also mentioned the Single Investment Programme for Cornwall and highlighted the importance of the CUC to the economy of the County– stressing that it is more than an iconic building.

JH also referred to the discussions around whether or not the National City Regions policy can be applied to Cornwall. It was certainly felt that Key towns perform some of this activity and that the challenges are the same, particularly regarding connectivity etc.

The performance of SWRDA will soon be undergoing significant scrutiny. An Independent Performance Assessment (IPA) will be undertaken by the National Audit Office and a selection of members of the Economic Forum may be asked to contribute to the process.

The SWRDA are also currently undertaking a review of their Sub Regional Partnerships (SRPs). This is being undertaken for a number of reasons; to ensure that the partnerships are geographically configured correctly, that the relationships are correct and to reflect recent changes such as the LAA process, LSPs and the end of the current funding regime in 2007. JH confirmed that the Economic Forum is seen to be progressing excellently and is well placed to continue in the future.

Juliet Williams reported that the other SRPs in the South West had recognised the excellent job being done in Cornwall and she congratulated in particular, Thelma Sorensen, for her work in bringing all the SRPs together at the SRPs Chairmen's Forum meetings.

JH stated it is a misconception that, because David Milliband has moved positions to DEFRA, the City Regions issue has been taken away, because this is not the case.

SWRDA Chairman's Report

Juliet Williams, Chairman of the SWRDA, introduced her update report.

She reported having taken over as Chairman of the Regional Skills Partnership (formerly SWESA). This group expects to implement a step change in delivery. There is a focus on basic skills, with the need for full engagement throughout the process.

A Bilateral meeting will be taking place with the SWRDA and SWRA regarding energy.

The Chairman thanks both Juliet Williams and Jane Henderson for their attendance and input to the meeting.

Head of Operations Report

Stephen Bohane, Head of Operations, introduced his update report. He referred to the new format of the quarterly newsletter. The focus is primarily on delivery and he welcomed any comments.

SB introduced the new Chief Executive of CPR Regeneration, Nigel Tipple. CPR Regeneration also provided an update newsletter which was circulated to the members

SB reported that there were already 16,000 bookings at the 15, Restaurant at Watergate Bay since its recent opening. He considered that this was very positive news.

The design of the Omega building was also briefly discussed. It was agreed that SB and the Economic Forum Chairman would meet to discuss this further outside of the meeting.

Action: SB/TS to meet to discuss the design of the Omega building.

Spyrys Presentation

SB introduced Dr Tim Anstiss, from the Spyrys Project Team, Tim Carter of Davis Langdon and Nigel Tipple of CPR Regeneration. He advised that SWRDA had funded extensive feasibility work and added that the project had been long listed for a Big Lottery fund award. Nigel Tipple reported that the project fits in with the CPR Regeneration Action Plan and is interconnected in its relationships with housing and health which levers in other activity and investment. He gave an in depth background to the project, the existing leisure centre and future plans. Tim Anstiss and Tim Carter gave additional details regarding the holistic benefits and costings. It was accepted that this project was still very much in the early days of development.

Copies of the presentation are available from the Secretariat.

7. Post 2006 and Evidence Base Review - Update

Post 2006 Group

Juliet Williams provided the members with an update on the work of the Post 2006 Group. In the wake of the visit from Danuta Hubner, the European Commissioner, every effort must be made to ensure that there is clarity regarding the approach being taken in preparation for Convergence and other Post 2006 funding Programmes.

Pepper-pot investments are no longer appropriate. The new Programmes should support major investments with long-term benefits, with innovation and R&D an important aspect.

The visit from the Commissioner assisted in adding context to the Post 2006 Group. Danuta Hubner had said that the European Commission is adamant that the new Programmes should fund iconic projects; promote sharing with other states and demonstrate good partnership working. The Commissioner had given pointers to focus on innovation and connectivity.

The Post 2006 Group is currently looking at a series of issues that need further consideration, for example, the role of Culture. What does the Lisbon Agenda mean for Cornwall? What is the knowledge economy?

The relationships within the group are being utilised in contextualising strategic thinking and the Group is actively working to this agenda and, together with the RES debates, this will also inform the 'Strategy and Action' review.

The new Programme should focus on a few key issues and this is what the Post 2006 Group

is doing. Contrary to popular belief, there are not various papers or reports in circulation. However, the strategic thinking emanating from the Group is being fed into the process.

The members were informed that the latest released Eurostat figures show an increase in GDP for Cornwall and the Isles of Scilly (an increase of 10% from 2001-2003) which means that the Cornwall GDP is now 75.8%.

Evidence Review

The Chairman warmly welcomed John McCreadie of EKOS Consulting to the meeting. EKOS Consulting has been commissioned to undertake a review of the evidence base for 'Strategy and Action' and JMcCreadie was in attendance in order to provide an update on the work to date. It was acknowledged that significant progress has been made in this area but additional work remains. It was felt that the evidence base work only takes the process part of the way and that additional work will involve drafting the strategy and utilising the evidence in order to determine which interventions are most appropriate. For example, we are not yet sure how to target high-value knowledge economy businesses.

John McCreadie provided a presentation to the members who were then given the opportunity to discuss key points. A copy of the presentation can be obtained from the secretariat.

The presentation highlighted some of the key successes made by the current Strategy and Objective One Programme including a sustained employment rate, high business start up rate and a more positive external image.

** Philip Hygate took over temporarily as Chairman.*

John McCreadie also highlighted some of the continued challenges such as lower wages, lower paid jobs and high levels of worklessness.

The presentation proceeded to discuss the longer-term challenges such as the location of new housing and climate change along with the long term context which sees a forecast of 100,000 population growth over the next twenty years. Important economic assets such as Newquay Cornwall Airport, the CUC and culture/distinctiveness were also discussed along with influential trends such as lifestyle choices, migrant worker and ICT infrastructure. One question that needs to be answered is "what are the next generations of technology in terms of economic growth"?

It was felt that Eden is currently just a project and there is a need to develop it much further. It is important to identify what separates Cornwall and the Isles of Scilly from other regions and it was felt that its distinctiveness, culture and quality of life were very important factors.

Discussions also took place in relation to infrastructure challenges, the highlighting of the emerging key themes and the need to address underlying weaknesses, such as improving the skills levels in the workforce

It was pointed out that Convergence should only be used to fund activities that will foster significant economic growth, other funding streams must be utilised for activities outside of the Economic Forum's top priorities. The Convergence Programme will focus on knowledge and productivity.

A lengthy discussion then took place in relation to how the Strategy should direct the careful management of the forecasted population growth. BB queried how the review could consider that such significant population growth (created by in-migration rather than family

extensions) could be seen as an opportunity, when capacity, worklessness, quality will be affected and all the things seen as important to us such as the environment will be put under significant pressure?

JMcCreadie responded to say that population in Cornwall and the Isles of Scilly has been growing at this pace for the last three decades. There is unlikely to be anything in economic policy that can be done to stop the growth. The challenge is to manage the growth better than ever before by planning well - for example by managing housing provision. He continued to say that the North of England is encouraging this growth because they feel that this will assist in economic development.

BB stated that the environment is mainly managed and not natural. He considered that, if demographic drift proceeds, it will not be possible to deliver our vision for economic development. SJ agreed in stating that inclusion for the people who live and work in Cornwall and the Isles of Scilly should be on top of the list, not improving it for inward migrants.

JMcCreadie responded to say that the majority of people who move to Cornwall are working and that the area has never been so well off in economic development terms, despite the significant population growth. NH supported this by reiterating the comment made earlier by JW, that the latest GDP figures show a remarkable increase of 10% in the last two years, which demonstrates a higher growth than any other region.

BB felt that this is due to the significant intervention that has taken place rather than the increase in population.

AM reiterated that the Strategy will comprise of evidence-based priorities and the group agreed that further discussions were needed regarding this issue.

PH stressed the importance of the issues being raised and suggested this item be the first item on the agenda for the next meeting.

Action: Evidence Base Review to be on agenda of next meeting.

8. Any Other Business

There was no any other business to report.

9. Date of Next Meetings

28 June 2006	9.00am Alverton Manor Hotel, Truro
6 September 2006	10.00am Trelawney Room, New County Hall, Truro
22 November 2006	10.30 venue tbc

(The meeting closed at 1.30pm)