

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

10.00am on Tuesday 23 May 2007

Trelawney Room, New County Hall, Truro

### Present:

Nigel Ashcroft	ICT Taskforce
Rose Barnecut	Creative Unit
John Berry	Cornwall Enterprise
Bert Biscoe	Rural Cornwall and Isles of Scilly Partnership
Stephen Bohane	SW Regional Development Agency (SWRDA)
Neil Burden	North Cornwall District Council
Nigel Carpenter	Cornwall Destination Management Organisation
Bob Dow	Business Link
Annette Egerton	Restormel Borough Council
Barbara Ellenbroek	Cornwall Business Partnership
Bill George	Cornwall Association of Local Councils
Lucy Harris	Cornwall and Isles of Scilly Economic Forum (Secretariat)
Jill Harvey	Job Centre Plus
Neil Hatton	Kerrier District Council
Sheila Healy	Cornwall County Council
Philip Hygate	Council of the Isles of Scilly (Vice Chairman)
Carleen Kelemen	Objective One Partnership Office
David Lobban	Cornwall Business Partnership
Phil McVey	South West Regional Development Agency
Andrew Mitchell	Cornwall County Council
Michelle O'Brien	Cornwall and Isles of Scilly Economic Forum (Secretariat)
David Pattison	Cornwall County Council
Carolyn Rule	Kerrier District Council
Alan Shepherd	Cornwall Marine Network
Polly Skinner	Lifelong Learning Partnership
Ian Smith	Environment Kernow
Hudson Smith	Penwith District Council
Thelma Sorensen	Cornwall Business Partnership (Chairman)
Ian Tunbridge	Combined Universities in Cornwall
Carol Wells	Cornwall Business Partnership

### In Attendance

Mark Jones	Cornwall County Council (item 5)
Phil Mason	Restormel Borough Council
David Rodda	Cornwall Agricultural Council
Steve Vinson	Caradon District Council
Craig Whibley	South West RDA

### 1 Apologies

The Chairman welcomed new attendees, Carolyn Rule, the new Economy Portfolio Holder for Kerrier District Council and Craig Whibley (observing), the European Programmes Manager for the South West RDA and invited them to introduce themselves to the members.

The members were informed that, as a result of the recent local elections, there would also be new representatives from Caradon and Carrick District Councils. Letters of thanks had

been sent to Gill Wilson and Nick Mallard in recognition of their contribution to the Economic Forum over the years. Best wishes were also passed to Neil Hatton who was in attendance to introduce the new elected member from Kerrier District Council.

Members were advised that Penwith District Council elections were due to take place that evening.

Apologies were received from:

Sheila Johns – TUC; Blair Thomson - Cornwall Voluntary Sector Forum; Peter Hardaker - Cornwall Agricultural Council; David Brewer - Cornwall Business Partnership; Rick Hopkins - Cornwall Business Partnership; Gareth Grimshaw – GOSW; Gill Wilson - Carrick District Council, Mark Williams – Learning and Skills Council; Paul Brough – Heritage Task Force

The members wished to pass on their best wishes to Sheila Johns who has been unwell for some time.

## **2 Draft Minutes of the meeting held 21 February 2007**

SB advised that, following circulation of the minutes, Dave Roberts had submitted some minor amendments to the Secretariat in relation to the Employment Space Strategic Assessment item.

With these amendments, the Minutes were agreed as an accurate record.

## **3 Matters Arising**

### **Isles of Scilly Route Partnership Project**

TS welcomed the news that the Isles of Scilly link had received conditional approval for funding from the DTI and offered the continued support of the Economic Forum to the project.

PHY thanked the Economic Forum for its support of the Route Partnership Project. He advised that provisional approval had been received for the £41M scheme of which £23.8m is for the quays and harbours along with provisional agreement for the vessel at £18m. TS congratulated all involved in the project.

### **Newquay Cornwall Airport**

SH advised that there are some critical State Aid issues remaining to be resolved regarding Objective One funding for the Airport.

### **CPR**

An update note, provided by CPR Regeneration Ltd, was tabled at the meeting. SWRDA had met with landowners regarding the CPO and SB advised that he anticipated being able to issue a CPO in the autumn. This will start the legal proceedings which will need to commence within twenty one weeks of the CPO being issued. However, the preferred way forward at this stage would be to negotiate a favourable outcome with the landowner to avoid the necessity of a CPO.

### **Imerys (page 4)**

This is an ongoing issue and updates will be received as appropriate.

### **Beacon Technology Park**

NB enquired as to what the current situation is with regard to the appearance of the Beacon Technology Park at Bodmin as there were concerns that it appears to be very overgrown. SB responded to say that work is progressing and properties will be marketed shortly to the private sector. The SWRDA are giving Portia Construction more time to complete on the

Carew building. TS advised that the Cornwall Lecture 2007 would be discussing issues relating to the delivery of quality employment space and design within the built and World Heritage Site status environment. There had been two 'Away Days' as part of this debate. The first to the Met Office in Exeter and the second to CPR. TS advised that the members would be kept up to date on progress of this standing conference approach to the 2007 Cornwall Lecture.

### **Election of Chairman**

TS reminded the members that the election of the Chairman was due to take place at the September meeting. She expressed her intention that, in the interests of maintaining continuity during the forthcoming period of very significant change and some uncertainty in the County, she intended to put herself forward again for the office. PHy also confirmed his intention to support this by standing again for Vice-Chairman.

## **4 European Programmes**

Phil McVey (PMc) was welcomed to the meeting, and provided an update presentation on the European Convergence Programmes. Members were encouraged to ask questions and seek clarification throughout the presentation.

He advised that the presentation was intended to provide detail relating to the Convergence ERDF Programme, with much less detailed focus on the other Programmes. The Programme is structured with four priorities:

- Innovation and Research Development
- Competitiveness and Investment
- Transformational Infrastructure
- Unlocking the Economic Potential of Place

The financial structure now includes Private Sector match funding which can be used for priorities 2 and 4. As a result of including Private Sector funding and lowering the intervention rate in Priority 4, the total amount in Convergence is now approximately £490m. The intervention rate including both Private and Public Sector match is 66% Europe and 33% national funding. Discussions are underway with DWP to obtain more match funding to lower the European intervention rate. CW reported that the current programme had a variation in intervention on a project by project basis. PM advised that projects under Priority 4 may have investments which will include the purchase of land, which will allow only a 10% intervention. SH added that it is about making the money go as far as is possible and asked if the figures were lower now that Private Sector match funding is included. PMc advised that the current amount from the Private Sector was deliberately modest as it was better to enter negotiations at a lower level with the potential to negotiate a higher percentage match. NA stressed a view that the Private Sector money should be reflected in the priority which provides ICT investment. PMc confirmed that the detail received by Europe does not go below the level of Private Sector money allowed for. It is not broken down into priorities. DP added that the source of the money would need to be identified if it was included and, at this stage, the sources have not yet been identified.

The Programme Monitoring Committee (PMC) will be at the heart of the delivery process (as required by EU regulations). A much smaller group than the present PMC, which will meet regularly to monitor and encourage delivery is proposed. This group will seek advice from the Cornwall and Isles of Scilly Economic Forum in the light of the obvious links between 'Strategy and Action' and the Operational Programme Document. Cornwall County Council Executive input will also be taken into consideration. The Partnership Delivery Board (PDB) will translate the wishes of the PMC into commissioning packages and work with the Partnership Office to ensure that the right people are engaged. The Secretariat will be small and provided by the SWRDA.

In response to a query asking if the management structure will be the same as that of the

ESF, PMc advised that there is a desire for both funds to work together; although there will be national PMCs for ESF it has been agreed with DWP that the PMC will have an overview in Cornwall. He stressed the importance of making it work at a delivery level. The PMC will have the same function and mix of people, but will be more condensed.

PMc assured the partnership of adequate capacity within the SWRDA to deal with the programme. Previously GOSW had a large number of people who covered every aspect of the programme, the SWRDA local team will cover the secretariat for the PMC, reports and liaising with the European Commission, all other functions will be mainstreamed into the SWRDA.

In respect of delivery, this programme is moving away from a bidding-round, grant led programme to an investment commissioning style. No single organisation will dictate projects, but there will be partnership agreement with ways of achieving priorities being actively sought. It is still to be decided whether bids will be invited, or whether there will be an open tendering process or even whether bids will be commissioned.

The PDB is made up of CCC, SWRDA and GOSW. As different issues are raised, experts will be brought in to inform the debate. The Board has met and agreed to bring together all parties and map out what teams need to be brought together in order to progress the commissioning ideas and address the capacity and size of investment. The commissioning teams may be different for each project, and there are already groups in existence which may be suitable.

BB stressed the importance of ensuring there is a balance to ensure that projects being commissioned are objectively robust. PMc advised that there will be an element of dependence upon the people within the team, but the issue is what Cornwall needs and the teams will be challenged to substantiate the need. The whole process will be underpinned by the use of Technical Assistance. Partner/peer appraisals along with internal RDA technical appraisals will take place.

PMc responded to a query about time limitations by advising that there are annual spend targets. There are certain projects which are ready to go and the systems need to be in place to avoid delays. RB asked who will make up the commissioning teams, to which PMc responded to state that growing creativity in business is important and that challenges will be considered when forming the teams, it will not just be the 'usual suspects', but there will be a need to include people who are aware of the systems.

BB stated that the RDA had already delegated successful appraisal processes and queried whether this process would continue and expand. PMc advised that the RDA would like to delegate where possible, but that there were technical issues which may prevent full delegation.

In responding to a query from TS as to whether funds had been ring-fenced for Cornwall due to the fact that it will take 35% of the RDA's resources, PMc advised that although no money had been ring-fenced, the RDA had investigated the impact of the fund. SB added that the SWRDA currently invest £26m in Cornwall. PMc reported that the SWRDA also have to address the issue that they may themselves be beneficiaries of the fund and how that procedure will be managed.

NB asked if SWRDA will be taking best practice from GOSW, PMc advised that they definitely would be doing so and that some people may transfer to the new Managing Authority.

AM advised that it is time to move forward and ensure that the partnership negotiations with the European Commission are not just with the SWRDA, but that all three organisations are involved in the discussions regarding the amounts from Technical Assistance and ensure that

the Programme is delivered for Cornwall. It had been thought that the task and finish groups were overly dominated by the SWRDA and he was keen to ensure that there was more of a balance in the commissioning teams to keep Cornwall feeling involved.

PMc did not anticipate the negotiations taking a long time and the EU Commission had been involved throughout the process. He assured AM that CCC would be involved. He added that there was a great deal of activity going on and people were already preparing bids. These ideas need to be fed into the commissioning process to ensure that time is not lost when the Programmes become live.

NB advised that an element of the Private Sector felt that commissioning is already a 'done deal' and asked how the SWRDA were going to reassure these people that it was still possible for them to be involved. PMc advised that the partnership may invite bids, but stressed that it was an investment and not a grant-giving programme. The inclusion of the Private Sector match funding is a signal that their engagement is vital and they will be engaged at every opportunity. A meeting is taking place with the Cornwall Business Partnership to look at this approach. The economic portfolio holders from the district councils will be engaged at a later stage.

CW advised that Cornwall now has six years experience and should have the courage to be bold and have the confidence to lead. JB added that Cornwall has a reputation in the European Commission for spending effectively. We now have a new programme, a new way of delivering and a new organisation running the programme. It is now up to the managing authority to ensure that the processes are fast and effective and geared up to hit N+2 targets.

Questions regarding championing of specific areas, following the possible demise of the district councils, were raised by district councillors. AM advised that there will be no 'fair share' elements. Decisions will be made on the basis of what is needed and where it is best placed to achieve the economic transformation the programme is looking for. SH added that 'commissioning' is a much used word but, as yet, there are no set criteria for what it means. There is a need to establish the criteria of the teams and to fit in with legal agreements. These debates are still underway. PMc reiterated that the investment is for Cornwall and the Isles of Scilly and not specific geographical areas. However, it is possible that investment may fall into specific areas if the commissioning team feel it to be appropriate.

NC queried who is best placed to decide the best way forward in shaping the programmes and questioned whether or not the gaps would be suitably filled by commissioning alone. PMc advised that the new programmes are different to Objective One and the detail of the delivery is the next thing to do. Commissioning teams may not be the right term for the groupings and there is still a need to discuss how to take forward the best practice.

DR asked whether the commissioning teams will look across the programmes to ensure link up. PMc advised that the PMC would be monitoring the linkages.

**Action: Commissioning paper to be circulated and comments to be sent to PMc.**

Copies of the presentational slides are on the website at [www.economicforum.org.uk](http://www.economicforum.org.uk)

## **5 Local Government Review**

SH gave a recap on the background and timetable of the review. The overall outcome is to replace the County and District Councils with a single and unified structure for all public services to be delivered in Cornwall. 22 June 2007 is the deadline for all views to be returned directly to Government and Cornwall should have a result by end of July. Of the 26 bids nationally, only 16 have gone through to a second stage. She stressed that there is still

a large amount of work to be done within the very challenging timescales. In 2008, should the One Cornwall bid be accepted, there will be 82 members elected to a shadow authority. Current boundaries cannot be changed as these are set by the Boundary Commission. A review has been requested in order to adjust the number of Councillors as, at present, the only options are to remain the same, or double up in numbers.

A stakeholder event was held on 30 April 2007 at Bedruthan Steps, where the key message received from the delegates was that people want to be involved in the process. The aim of CCC is to continue to work together with partners wherever it is appropriate to do so. North Cornwall District Council is opposed to the Unitary Bid but, although it has reaffirmed its position, it has agreed to work with CCC in the interim. This pragmatic approach was welcomed by SH. Meetings have also taken place with Town and Parish Councils and around sixteen community networks. The meetings have been tough on occasions but there is an understanding and willingness to engage.

While Government does not require direct consultation with the public CCC has, nevertheless, decided to do so. A MORI poll has been undertaken of 1000 residents and the results showed that the public are confused. An information leaflet had been published by CCC and the districts were also publishing a leaflet asking for feedback. Members were assured that it is not a legal requirement to hold a referendum, but comments were, nevertheless being sought. The leaflet would come back into CCC to be independently analysed and used as part of the evidence for Government.

SH reported that Professor Chisolm had produced evidence for the four districts which contradicted the financial savings set out by Cornwall County Council. PricewaterhouseCoopers had checked and approved the CCC figures. Government had also commented to say that it considered those of CCC to be on the conservative side. It will be up to the Council whether the savings are put into frontline services or used to reduce council tax. Savings will still have to be made whether or not the plans for a unitary authority continue.

TS advised that the main concern coming from the delegates at the conference was the lack of information. NH stated that the timescales were really tight and this did not allow for proper consultation. The electorate are looking for year on year stability for council tax and he asked whether or not the CCC, One Cornwall proposition would realistically keep council tax down.

SH responded by advising that the tight timescale had been set to 'minimise the pain'. CCC is trying to disseminate as much information as possible, there is a website and hard copies of the relevant documents are available. The result of the Comprehensive Spending Review will mean that the council will be expected to do more for less so this process is also about delivering services more efficiently

AE advised that Restormel Borough Council had not supported either bid submitted to Government. However, it was now working with the officers at CCC regarding the delivery of services across the County. SH added that it had been good to have the benefit of working with the officers in the district councils and to be able to draw on their considerable experience.

BB wished to draw the members' attention to the two individual bid documents; the full resolution of CCC and the adjournment debate which had been called in Westminster. He advised that Colin Breed had held discussions with Ministers and that there was frustration at national level that Cornwall was not being sufficiently ambitious. He believed that the people of Cornwall wanted to see a proposal which included all public services being brought together. TS asked SH whether CCC had had similar conversations with Government. SH advised that they had not because the details of the bid were still contentious and sensitive.

CW sought reassurance that Convergence would not be put at risk if the bid is successful and added that savings may mean Cornwall can be in a better position to match fund the Convergence Programme. SH advised that the commitment of CCC to economic development was second to none. Although it had been necessary to make budget cuts this year, the economic development budget had not been affected. Economic development functions have been aligned with environmental functions to maximise the pool of resources. AM advised that a case would be made for a fair share of the anticipated savings to be put into economic development and that DP would be writing to all district economic development officers to encourage engagement in projects. JB added that economic development is a critical part of CCC, work still has to be done but the commitment is there.

HS advised that while Penwith District Council was unable to put forward a proposal within the timescale, it felt strongly that local government needs to grow. Penwith District Council had carried out a poll with a simple yes/no question. It was his view that the CCC poll contained very leading questions. He commented that the districts had submitted a bid purely because the CCC had done so, not because they agreed with the proposal. He felt that the CCC bid did not reflect what the electorate wanted. He further queried how the new council would manage local service delivery.

AM had a different view. However, he agreed that all views should be voiced and added that it is not possible to go against what the whole country is doing. The questions referred to in the CCC survey had been compiled by MORI. In response to a query from TS, asking whether the poll conducted by Penwith District Council would be considered by CCC, SH advised that all information arising in the consultation could be submitted to Government. Evidence for and against would be considered. She encouraged members to respond to the consultation.

BE stated that, as a town councillor, she could confirm that members of Redruth Town Council are excited about the possibility of having more influence over what happens in their area.

In response to a query on the possible affect on business rates, MJ advised that business rates are set by Government and would not change. There will be a unified approach to services in terms of streamlining delivery. NB advised that there is a problem with business rates in North Cornwall as second homes count as businesses with the ongoing effect being that parish coffers do not benefit. He further advised that North Cornwall District Council is carrying out a poll of 5,700 people to inform the district view on unitary status.

PM advised that district councils are good at joining up planning and affordable housing in their individual areas. Restormel Borough Council is lobbying to maintain the joined up element and to retain these elements in the local areas. He is looking at joining up more delivery across Cornwall in order to give a consistent message to businesses. There is work underway to design a single quality service for planning, regardless of the outcome of the proposals for a unitary authority. JB echoed what PM was saying.

BG advised that CALC have arranged a meeting for early June to discuss the proposals and he would report back. Only 19 responses had been received from a circulation of 200 questionnaires

TS urged the members to respond individually from their own organisations. The Cornwall and Isles of Scilly Economic Forum was remaining impartial but was happy to act as a communication conduit.

## **6 Any Other Business**

## **Job Centre Plus**

JH advised that JobCentre Plus is entering into consultation regarding the proposal to close seven of their centres in Cornwall. JH offered to talk to any members or partnerships who wanted more information. The aim is to focus the resources that they do have and to encourage use of e-services. Members were assured that the Job Centre Plus services are not changing and funding is not affected. Jobcentre Plus is looking at establishing their customer's needs and delivering a more cost effective and focussed service.

BE advised that, in Redruth, the Inland Revenue and Jobcentre Plus share a building. It has been noted that the Inland Revenue will be moving which may lead to Jobcentre Plus closing. Redruth is a highly urbanised area which needs this service. JH welcomed any feedback.

TS invited comment from BD on the proposals for the new Business Link service. He advised that Business Link Devon and Cornwall will continue to run the service until the end of November and that it was hoped that they would retain part of the organisation for delivery.

## **SWRDA**

SB stated that, due to a possible technical error, the SWERDA quarterly report, which had not been received by the Secretariat, had not been circulated with the papers. He assured members that this omission will be corrected for next time.

BB sought clarification on what would happen to the proportion of money from the sale of Tolvaddon which, as Objective One money, was included in the development and asked if it would be ring-fenced for Cornwall by SWRDA. SB advised that the EU money would be earmarked.

The Chairman thanked all the speakers and the members for their attendance and participation and declared the meeting closed at 1.00pm.

## **10 Date of Next Meetings**

5 September 2007 10.00a.m	Trelawney Room, NCH
28 November 2007 10.30a.m	Tbc
21 February 2008 10.30am	Trelawney Room, NCH
22 May 2008 10.30am	Trelawney Room, NCH
4 September 2008 10.30am	Trelawney Room, NCH
27 November 2008 10.30am	Tbc