

**OBJECTIVE**



**PROGRAMME FOR  
CORNWALL AND THE  
ISLES OF SCILLY  
2000 - 2006**

**PROGRAMME COMPLEMENT**

*August 2005*

## INDEX

Introduction	Page 1
Generic Programme Information	Page 2
<b>Programme Priorities and Measures</b>	
- Priority 1: SME and Business Support	Page 5
- Priority 2: Strategic Investments and Development	Page 20
- Priority 3: Developing People	Page 33
- Priority 4: Community Economic Development and Rural Structural Adjustment	Page 53
- Priority 5: Regional Distinctiveness	Page 84
- Technical Assistance	Page 95
- Cross Cutting Themes	Page 98
- Communications Action Plan	Page 112
- Monitoring and Evaluation Indicators	Page 118
Appendix 1 – Indicator Definitions	
Appendix 2 – Financial Tables	

## 1. INTRODUCTION

### The Objective 1 Programme for Cornwall and the Isles of Scilly, 2000 – 2006

The European Union has designated Cornwall and the Isles of Scilly an Objective 1 region for the current Structural Fund Programming Period. The original Programme allocation was €497,844,000, which, when matched by public and private sector contributions would mean that the total value of investment in the region during the Programme period rises to around €1 billion. However, the awarding of the performance reserve following the Programme successfully meeting its mid term targets has resulted in the allocation being increased by a further €25m. Coupled with the resulting increase in match funding, the final value of the Programme is likely to be in the region of €1.3 billion.

#### Background

The starting point for the Complement is the Single Programming Document (SPD), which sets out the programme strategy, aims and objectives, which has been revised following the recommendations of the Programme Mid Term Evaluation and Review. In subsequent chapters of the Complement, the rationale for the Priorities and measures is explained, but this should not be regarded as a substitute for the SPD. The information presented in the SPD and the Programme Complement need to be reviewed together for a full understanding of the overall Programme strategy, what is eligible for support and the choice of indicators and targets.

#### The Purpose and Structure of the Programme Complement

This document has been developed in line with the latest European Commission guidance, has been approved by the Programme Monitoring Committee and has been sent to the European Commission for information. It sets out the operational details at Priority and measure level, of the programme strategy as described in the SPD. The Complement is one of a series of documents that will be of value to potential applicants to the Programme, in that it provides details of activities eligible for support under each of the Programme measures, the financial allocations to each of the measures and the targets against which Programme performance will be evaluated. Additional guidance is available separately covering areas including application procedures and processes, the project scoring and appraisal systems, the management and decision making structures and claims procedures.

The Complement has been structured to provide generic programme information at the start, followed by the detail of the Priorities and measures.

## 2. GENERIC PROGRAMME INFORMATION

### Programme Criteria

The Programme has three strategic objectives

- To increase absolute prosperity
- To create sustainable communities
- To capitalise on the economic opportunities of the distinctiveness of Cornwall and the Isles of Scilly

The rationale for these objectives is contained within Chapter 8 of the SPD, and can be described as covering essentially economic, social and environmental aspects. Every project applying for funding from the Objective 1 Programme must contribute to at least one of these objectives, as well as fulfilling the criteria for the relevant Priority and measure detailed later in this document.

The Programme criteria developed to assist in achieving the overall objectives are as follows:

- Increase existing incomes
- Increase incomes in low income groups/occupations
- Create and support new income/job opportunities
- Improve facilities and services
- Provide opportunities for disadvantaged groups/remoter communities
- Make use of sustainable resources/environmentally friendly techniques or practices
- Enhance the natural and built environment
- Secure additional public sector finance, which otherwise would not be spent in Cornwall and the Isles of Scilly
- Secure additional private sector funding with otherwise would not be spent in Cornwall and the Isles of Scilly
- Secure significant increases in scale of provision and facilities
- Secure significant increases in the quality of provision or facilities
- Secure improvements in the timing of activity or investment
- Evidence of market failure
- Evidence of Funding gap
- Would not proceed without support

Further details and explanations of these terms are available in the scoring guidance produced by the Objective 1 Secretariat.

Because of the differing nature and scope of projects that will be eligible for funding under the Programme, applications are unlikely to be able to meet all of the above criteria, but potential applicants should be able to identify which of the criteria should be met by their project.

#### Final beneficiaries

Final beneficiaries will vary according to the type of activity and the measure applied into, but at a Programme level they are expected to include Local Authorities, Business Development Organisations, Economic Development Agencies, South West Regional Development Agency, Further and Higher Education Institutions, the Private Sector, Small Business Service, Learning and Skills Council, Employment Service, Voluntary and Community Organisations, individuals and groups or businesses involved in agricultural production or processing or forestry activity, Harbour Authorities, Fishing Businesses (both individual and collective), Regional Tourist Boards and bodies, English Nature and English Heritage, charitable bodies.

#### Programme Targets

##### Results and Impacts to 2010

Targets in the following tables are until 2010 as given the capacity of the Programme to commit projects up to the end of 2006 and the long lead in time for some capital schemes, it is unlikely that all results and impacts will be evident by the end of 2008. A project approved in 2006 to prepare a site for development, for example, may not secure the forecast benefits until three or four years hence. In order that these impacts are fully captured, an annual monitoring exercise will be carried out for the two years following financial closure of the Programme at the end of 2008. If results and impacts are only reported to the end of 2008, it is likely that the overall achievements by the Programme will be understated.

The table below represents the key targets for the Programme to achieve and have been revised following the mid term evaluation and review. Targets for individual measures and Priorities are detailed in the relevant sections later in this document and are designed to contribute to these key targets.

TABLE 11.2: PROGRAMME LEVEL TARGETS	
<b>Outputs</b>	
No of SMEs Assisted	2,634
No of Agricultural SMEs Assisted	1,500
No of Fishing SMEs Assisted	200
No of New Start Business Assisted	1,500
No of economically inactive beneficiaries supported	11,800
No of employed beneficiaries supported	21,100
Hectares of Land Developed	18
Square Metres of Premises Provided	33,300m <sup>2</sup>
<b>Results</b>	
Gross Sales	£1.902m
Gross Direct Jobs	30,986
<b>Impacts</b>	
Net Additional FTE Jobs	14,245
Net Additional GDP	£380.58m

The approach continues to suggest that the Programme as a whole will be aiming to provide assistance to in excess of 2,500 local SMEs over the period to 2000 to 2008. In addition, assistance will be provided to 1,500 agricultural SMEs and 200 fishing SMEs either to improve performance or to assist diversification. The Programme will also assist the emergence of 1,500 new start businesses across all sectors of the local economy.

The Programme will also seek to provide access to training opportunities for nearly 12,000 economically inactive people and over 20,000 employees while in employment. This is seen as the minimum scale of training activity necessary to support efforts to improve SME competitiveness generally, while ensuring that the Programme addresses adequately issues of exclusion.

In terms of physical business infrastructure, the core outputs will be 18 hectares of land fully prepared for development and the creation or refurbishment of in excess of 33,000 square metres of industrial and commercial properties.

Provided output targets are achieved, then results are forecast to be over £1.9 billion in annual sales by 2010, and nearly 31,000 gross full time equivalent (FTE) jobs. After allowance for deadweight, displacement, supplier linkages and income multiplier effects, the net impacts are forecast at over 14,000 FTE jobs and £380 million in GDP per annum by 2010 (these effects include new and safeguarded). Definitions of the targets used in the Programme are at **Appendix 1**.

### Intervention Rates

The Partnership in Cornwall and the Isles of Scilly have agreed that the EU funding available should be matched pound for pound by the public sector, resulting in an overall intervention rate for the life of the Programme of 50%. Not all applicants can expect to receive a grant of 50% for their projects, as Commission regulations dictate maximum intervention rates for certain types of assistance. Different rules also apply to the different funds within the Programme. As a general guide possible grant rates are listed below, but further details should be obtained from the Secretariat.

#### ERDF

- Private Sector applicants – maximum of 35%
- Revenue generating capital projects – maximum of 40%
- All others - maximum of 50%, but each application will be considered on its own merits.

#### ESF

Grant rates are identified for each of the ESF measures within the Programme. These currently are set at:

- Measure 1.7 – 37%
- Measure 3.1 – 34%
- Measure 3.2 – 34%
- Measure 3.3 – 33%
- Measure 3.4 – 31%
- Measure 3.5 – 43%
- Measure 4.2 – 50%
- Measure 5.4 – 39%

## EAGGF

There are no set grant rates for EAGGF activity, each application is considered on its merits.

## FIFG

It is normal practice for DEFRA to award 75% grant to successful applicants, however, each application is treated on its own merits.

Further, Objective 1 funding should only be accessed as a 'grant of last resort', that is when all other avenues of funding have been investigated and accessed where appropriate. Applicants should make every effort to keep the amount of grant requested from the Programme as low as possible, thereby adding to the value of the project in Objective 1 terms, as well as adding value to the overall Programme.

## Financial Allocations

The EU Programme allocation is €523.497m and together with the anticipated match funding, has been distributed between the funds as follows:

PROGRAMME SUMMARY FINANCIAL ALLOCATIONS (MEUROS)								
	Total Costs	Total EU	ERDF	ESF	EAGGF	FIFG	UK Public	Private
Priority 1	338,521,000	111,424,000	78,975,000	7,757,000	24,692,000	0	81,821,000	145,276,000
Priority 2	281,874,500	108,874,500	108,874,500	0	0	0	132,000,000	41,000,000
Priority 3	215,105,580	85,244,000	7,997,000	77,247,000	0	0	113,585,580	16,276,000
Priority 4	275,608,440	107,504,000	29,164,000	7,997,000	54,283,000	16,060,000	96,176,000	71,928,440
Priority 5	212,433,000	102,516,000	96,549,000	5,967,000	0	0	94,761,000	15,156,000
TA	13,250,000	7,935,000	5,000,000	2,000,000	0	935,000	5,311,000	4,000
<b>Total</b>	<b>1,336,792,520</b>	<b>523,497,500</b>	<b>326,559,500</b>	<b>100,968,000</b>	<b>78,975,000</b>	<b>16,995,000</b>	<b>523,654,580</b>	<b>289,640,440</b>

Priority and measure allocations are presented in the following chapters.

### 3. PROGRAMME PRIORITIES AND MEASURES

#### PRIORITY 1: SME AND MICRO BUSINESS SUPPORT

##### Priority Introduction

Cornwall and the Isles of Scilly have a substantial number of small and very small businesses whose importance cannot be over-stated. Nearly three quarters of around 20,000 business units in Cornwall employ between one and four people. Although these units provide only about 16% of total employment, they account for a larger proportion of private sector employment, at over 20%. Micro-businesses have significant potential to help address some of the problems facing Cornwall: if each of these units were to generate one additional job, this would be equivalent to the total number claiming unemployment benefit in January 1999. Like Cornwall, the Isles of Scilly are also a small company and micro enterprise economy.

A further 3,800 business units employ between five and 24 employees and provide jobs for just over 40,000 people. This is 28% of total employment and over 38% of private sector employment. Again, this represents a major opportunity as research has shown that smaller companies of this size have been consistent generators of net jobs growth in the UK.

A significant part of the business base is related to agricultural and fisheries businesses, and these sectors support significant employment in locally based ancillary businesses. Although an employment increase in these sectors is unlikely, the development of competitive businesses is a key component of a revitalized Cornwall and Isles of Scilly. Any significant reductions in either agriculture or fishing would negate employment growth in other sectors. The appropriate response, therefore, is to improve the competitiveness of "traditional" sectors, while at the same time developing new and high growth sectors. The agriculture sector of the programme is being managed by the EAGGF fund.

While Cornwall and the Isles of Scilly has a high business density in comparison with regional and national averages this is due to the large but declining agricultural sector. Excluding agriculture, Cornwall has a lower than average business density. It has also been relatively less successful in encouraging new business formation and survival over the medium-term. The programme will address this deficit by seeking to encourage entrepreneurial activity and through removing the barriers to new business formation.

While these smaller businesses can be important generators of jobs and income, a number of factors are constraining their potential to achieve sustainable and profitable growth. The limited scale of local markets and distance from main markets are key barriers- independent research by Business Link has shown that relatively few companies sell goods and services outside Cornwall, even to Devon and other parts of the South West. These factors were also highlighted in research undertaken by the South West of England RDA that noted the lack of producer services in Cornwall, as distinct from consumer services, and classified most of Cornwall as extremely remote.

Likewise, many small businesses with growth ambitions lack the formal business planning and management mechanisms which are critical to enabling sustained and profitable growth: only 39% of businesses employing between five and 24 people have a formal business plan while only 31% have a written sales and marketing plan. Substantial proportions of the existing business base report a need for advice and assistance across a wide range of business themes. This highlights a requirement for specialist business support services, particularly for owner/managers who are the key influence in changing behaviour, in terms of attitudes to training, and to improving competitiveness in existing SMEs.

Although micro and small businesses have the potential to create additional jobs, many of the jobs currently provided are low paid and low skilled. Merely generating additional jobs will not necessarily address this problem. There is a pressing need, therefore, to increase the competitiveness and profitability of existing companies as a means of increasing earnings among the current workforce, thus contributing to the Programme aim of increasing prosperity. This will involve working with companies to help them to improve performance where the expansion of employment is not the over-riding objective, although additional jobs may be created in the medium-term.

Another important aim of the programme is to increase the numbers operating in higher value-added, high growth sectors. The purpose is to encourage the development and diversification of existing businesses by removing barriers and supporting those that wish to take advantage of new opportunities. The approach has to both improve the performance of existing companies and, over the longer term, support the development of new sectors. Here, improved access to research and development support and facilities is especially critical.

The need to develop new and high growth sectors inevitably involves an emphasis on innovation and technology if a competitive advantage is to be attained and sustained. This is particularly relevant to Cornwall and the Isles of Scilly, where access to high quality facilities and services in technology and innovation are limited, and where, given the size of the economy, clusters of companies are smaller than in larger and more industrial economies. The creation of the Combined Universities for Cornwall offers new opportunities to the region in supporting new businesses. There is a clear need for high quality support and advice pre start-up and in the early period of trading to encourage a greater level of entrepreneurial activity and new business starts which add value over the medium to long-term.

Existing businesses in Cornwall and the Isles of Scilly are constrained by a lack of access to finance to expand or modernise their business. This partly reflects the location and size of the economy, and the nature of the business base, where many companies are small and owners may not be willing or able to provide the guarantees demanded by traditional sources of finance.

The area's ability to generate and support high growth business, particularly those in new sectors, is constrained by the lack of significant venture capital. The creation of knowledge-based enterprises suited to the physical location of Cornwall requires high-risk investment capital. Due to its small entrepreneurial base and its distance from technology centres, there is currently no incentive for the establishment of a financial environment supportive to this type of investment. The creation of a favourable investment climate is essential to the development of these types of enterprise.

## PRIORITY OBJECTIVE

The strategic objective of the Priority is:

'To improve the competitiveness of business and the creation of new businesses through the provision of high quality support, advice and the development of new opportunities for growth'.

The measures developed to realize the strategic aim and objective are:

- Measure 1.1: Creating the economic conditions for competitive SMEs;
- Measure 1.2: Financial engineering for SMEs;
- Measure 1.3: Developing competitive business;
- Measure 1.4: Processing and Marketing of Agricultural Products
- Measure 1.5: Supporting the entrepreneur;
- Measure 1.6: Developing sectors with growth potential.
- Measure 1.7: New Employment Opportunities

## PRIORITY CRITERIA

1. Support the growth of businesses through appropriate development, technology transfer, and ICT infrastructure.
2. Facilitate business growth through appropriate financial support.
3. Increase the number and survival rates of new business starts, and the profitability of existing SMEs
4. Raise the number and performance of businesses with high growth potential

## FINANCIAL ALLOCATIONS

### Priority Financial Allocations

The financial allocations to this Priority are:

PRIORITY 1: SMEs AND MICRO BUSINESSES - SUMMARY FINANCIAL TABLE (MEUROS)				
	Total Costs	EU	UK Public	Private
ERDF	194,762,000	78,975,000	47,571,000	68,216,000
ESF	20,291,000	7,757,000	9,550,000	2,984,000
EAGGF	123,468,000	24,692,000	24,700,000	74,076,000
Totals	338,521,000	111,424,000	81,821,000	145,276,000

### Indicative Measure Financial Allocations

The table below gives the financial allocation by measure.

PRIORITY 1: SMEs AND MICRO BUSINESSES - INDICATIVE MEASURE FINANCIAL ALLOCATIONS (MEUROS)								
	Total Costs	Total EU	ERDF	ESF	EAGGF	FIFG	UK Public	Private
Measure 1	28,197,000	9,497,000	9,497,000				9,700,000	9,000,000
Measure 2	48,800,000	20,800,000	18,601,000				3,000,000	25,000,000
Measure 3	58,847,000	22,203,000	22,203,000				9,841,000	21,803,000
Measure 4	123,468,000	24,692,000			24,692,000		24,700,000	74,076,000
Measure 5	21,920,000	9,417,000	9,417,000				7,090,000	5,413,000
Measure 6	41,988,000	17,058,000	17,058,000				17,940,000	7,000,000
Measure 7	20,291,000	7,757,000		7,757,000			9,550,000	2,984,000
Total	338,521,000	111,424,000	78,975,000	7,757,000	24,692,000	0	81,821,000	145,276,000

## MEASURE 1.1 - CREATING THE ECONOMIC CONDITIONS FOR COMPETITIVE SMES AND BUSINESSES

### Measure Introduction

Unless action is taken to improve the physical and other business infrastructure of the County then income disparities will widen. Such provision needs to be selective and take into account the ability of the private sector to make provision at least in some parts of the area. It also must take into account the current and future requirement of businesses to access ICT facilities and services if they are to fully share in the anticipated benefits of the Information Society and e-commerce.

The inability of the commercial property sector to secure a rate of return that justifies the provision of new and higher quality property is a key constraint to those businesses seeking to expand. It is likely to be a major constraint for companies in new sectors, where higher specification accommodation is required for companies to undertake their business. This is particularly the case for companies involved in certain manufacturing sectors, as well as knowledge and information society businesses. A key theme of this Measure is the provision of facilities, including capitalising on linkages to the Combined Universities for Cornwall, which will help change the profile of the region towards a knowledge-driven economy.

Unlike other regions, Cornwall and the Isles of Scilly have limited access to specialist support facilities. In many sectors, this is not a major difficulty, primarily because the number of companies involved is relatively small. In other sectors, where there is already a significant business base, or where increased growth is likely, the lack of facilities to provide specialist technical and other support acts as a constraint to growth. Supporting new facilities relevant to the existing and anticipated business base will be a key theme of this measure.

The ICT theme is a further key component of this Measure. If companies in Cornwall and the Isles of Scilly are to take advantage of the new opportunities of the forecast growth in Information Society related economic activity, access to premises with appropriate ICT infrastructure and facilities is crucial.

Activities supported under Measure 1.1 must provide benefits to SMEs in Cornwall and the Isles of Scilly. Eligible businesses are SMEs and in some circumstances, large companies, subject to any restrictions identified by the Secretariat to take account of State Aid, competition and any other relevant factors.

### Objective

The objective of this Measure is:

‘To support the growth and expansion of companies through the provision of appropriate development, technology transfer facilities/centres, and ICT infrastructure’.

### Indicative Financial Allocations

MEASURE 1.1 : INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	28,197,000	9,497,000	9,700,000	9,000,000

### Eligible activities

This is a capital Measure. Support will be available for:

1. Development, improvement and expansion of facilities to support SMEs to take up technology and innovation opportunities, including the costs associated with the equipping of specialist centres - including IT hardware and software;
2. The upgrading of existing employment space, to accommodate electronic technology applications;
3. The provision and upgrading of industrial and commercial accommodation, including advance factory units, managed workspace, business centres and facilities, including facilities to support start-up businesses and the encouragement of inward investment;
4. Site serving for commercial and industrial use, for sites of less than 10 hectares; and
5. Market demand, financial and technical feasibility studies

Note: Revenue support for the running costs of facilities will be eligible for support under other Measures, notably 1.3 and 1.6.

### Measure Selection Criteria

1. The extent to which new centres provide facilities not available elsewhere in the Programme Area;
2. The degree of private sector involvement;
3. The extent to which new facilities and premises specifically target sectors identified as a priority in Measure 1.6;
4. The use of brownfield land or existing premises.

### Measure Targets

MEASURE 1.1: CREATING THE CONDITIONS FOR COMPETITIVE SMES – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Specialist support centres	8
Premises up-graded for ICT infrastructure	20,000m <sup>2</sup>
New premises	10,000m <sup>2</sup>
Refurbished premises	7,500m <sup>2</sup>
<b>Results</b>	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	Results will be picked up by other Measures as it is assumed that the majority of business users will be beneficiaries of other measures. Project sponsors will be required to provide monitoring data on the number of SMEs using centres, and the types and size of companies occupying premises.
Gross Direct FTE Jobs Created <sup>1</sup>	
Gross Sales Safeguarded	
Gross Additional Sales	
<b>Impact</b>	
Net Additional Jobs Safeguarded <sup>1</sup>	See above
Net Additional Jobs Created <sup>1</sup>	
Net Additional GDP Safeguarded	
Net additional GDP created	
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	
Please find the targets relating to the 3 cross cutting themes in the following section of the Programme Complement. These must also be addressed	

## MEASURE 1.2 FINANCIAL ENGINEERING FOR SMES

### Measure Introduction

Lack of suitable and appropriate finance is one of the major factors identified by SMEs as a constraint to business growth and it is also one of the principle obstacles to successful business start-ups and their survival. These problems stem from the lack of available finance in the right form at the right price, with provision for associated wider business advice and support.

The need for adequate venture capital funds is increasingly well documented. The emergence and continued presence of Business Angel networks are, in part, testament to the lack of equity provision in the market place. In the UK as a whole, high street banks and the commercial sector do not regard the provision of equity funding for SMEs as a particularly high priority.

The need for finance for SMEs can arise for a number of reasons, from accessing new markets, developing a new product range, for investment in research and development, for start-up costs, or for marketing and promotion. The emergence of the Small Business Service is an additional and timely boost that will complement the Measure, with provisions made for a regional venture capital fund.

The requirements for access to finance are not sector specific, and can be applicable to the majority of business sectors. The manufacturing and technology sectors, however, may have the greatest need of such financial engineering support given longer lead times, greater product development requirements, and higher levels of research and development.

A range of financial measures are required by new businesses and businesses seeking to grow, not only equity finance. Grants and low interest loans can also play a vital role in ensuring the start up, survival and growth of businesses. The Measure will also complement and work in tandem with other business development advice and support Measures within this Priority.

Activities supported under Measure 1.2 must provide benefits to SMEs in Cornwall and the Isles of Scilly. Eligible businesses are SMEs and in some circumstances, large companies, subject to any restrictions identified by the Secretariat to take account of State Aid, competition and any other relevant factors.

## Objective

The Objective of the measure is:

**'To facilitate company growth and expansion through the provision of appropriate financial support'**

## Indicative Financial Allocations

MEASURE 1.2: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	48,800,000	20,800,000	3,000,000	25,000,000

## Eligible Activities

This Measure will provide revenue support. Support will be available for:

The development or enhancement of venture capital funds and other financial instruments including:

- a. interest rate subsidies
- b. repayable aid
- c. loans
- d. repayment holidays
- e. loan guarantees
- f. advance payment funds; and
- g. grant schemes for productive investment.
- h. Appropriate mentoring/management support, where directly linked to the provision of financial support

## Measure Selection Criteria

The measure selection criteria (which will be in addition to Programme and Priority level criteria), including weighting, are presented in Annex 2 of the Programme Complement. The criteria are:

1. The extent to which support is targeted on sectors encompassed by measure 1.6;
2. The contribution from the private sector;
3. The inclusion of on-going management support to the recipient of aid; and
4. Projects which feature repayable aid, and where finance can be recycled to other SMEs in later years.

## Measure Targets

MEASURE 1.2 : FINANCIAL ENGINEERING FOR SMES : OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Number of SMEs provided with financial support	700
Number of new starts with financial support guidance	25
<b>Results</b>	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	1,042
Gross Direct FTE Jobs Created <sup>1</sup>	2,082
Gross Sales Safeguarded	£89m
Gross Additional Sales	£146m
<b>Impact</b>	

Net Additional Jobs Safeguarded <sup>1</sup>	625
Net Additional Jobs Created <sup>1</sup>	1,049
Net Additional GDP Safeguarded	£12.1m
Net additional GDP created	£24.1m
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	
<b>Please find the targets relating to the 3 cross cutting themes detailed in the following section of the Programme Complement. These must also be addressed</b>	

### MEASURE 1.3: DEVELOPING COMPETITIVE SMES

#### Measure Introduction

The consensus view of EU, national and regional policy guidance is that it is only by improving the competitiveness of the business base that long-term sustainable growth will be achieved. Action is needed across a wide range of business themes, but any provision must also be of a sufficient quality and targeted at relaxing the key constraints on growth.

In particular, services must be targeted at addressing the capacities of managers better to respond to market opportunities, especially beyond the area, and amongst others this will include greater use of ICT and the opportunities presented by modern technology. Encouraging an investment culture is also a pre-requisite to sustained development and again the intention must be to target resources where the private sector has proven unwilling or able to satisfy the legitimate needs of businesses for investment resources.

The increase in manufacturing employment in Cornwall highlights the potential for growth, but increasing competition from other companies and regions means that it is not possible for companies to stand still. There are a number of key weaknesses that enterprises have to address if businesses are to survive and flourish. These particularly relate to management and business planning skills, and the need to anticipate and prepare for change. This will be another key theme for this measure, as will be the need to promote innovation.

Activities supported under Measure 1.3 must provide benefits to SMEs in Cornwall and Isles of Scilly. Eligible businesses are SMEs that may have progressed from measure 1.5 eligible activity and in some circumstances, large companies, subject to any restrictions identified by the Secretariat to take account of State Aid, competition and any other relevant factors.

#### Objective

The Objective of this Measure is:

‘To increase the turnover of SMEs through the provision of high quality and comprehensive business support services’.

#### Indicative Financial Allocations

MEASURE 1.3: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	53,847,000	22,203,000	9,841,000	21,803,000

#### Eligible activities

Revenue support will be available for:

1. Business support services for SMEs including support to:
  - a) develop new markets
  - b) take advantage of ICT and new technologies
  - c) develop new products

- d) improve internal company systems, including financial management systems
- e) develop business plans to improve current competitiveness and prepare for new investment and/or company expansion/development
- f) exploit renewable energy, energy efficient processes, water and waste management measures for SMEs and to produce environmentally friendly products

2. The development of joint activities which improve the competitiveness of businesses in Cornwall and the Isles of Scilly, including joint marketing, supply linkages networks and business to business networking.

#### Measure selection criteria

1. The provision of substantive support, clearly able to generate significant benefits for the SME;
2. The extent to which support is directly channelled to the SME;
3. The contribution from the private sector; and
4. The inclusion of on-going client management support.

#### Measure Targets

MEASURE 1.3 : DEVELOPING COMPETITIVE SMES – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Number of SMEs provided with guidance/ information support	825
Number of SMEs assisted	1,000
Number of joint initiatives/networks established	20
<b>Results</b>	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	1,401
Gross Direct FTE Jobs Created <sup>1</sup>	1,500
Gross Sales Safeguarded	£120m
Gross Additional Sales	£158m
<b>Impact</b>	
Net Additional Jobs Safeguarded <sup>1</sup>	880
Net Additional Jobs Created <sup>1</sup>	1,142
Net Additional GDP Safeguarded	£11.9m
Net additional GDP created	£11.8m
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	
Please find the targets relating to the 3 cross cutting themes detailed in the following section of the Programme Complement. These must also be addressed	

#### MEASURE 1.4: PROCESSING AND MARKETING OF AGRICULTURAL PRODUCTS (EAGGF)

##### Objective

The objective of this Measure is:

'To increase the number of businesses enhancing their competitive position by participating in the continuing development of processing and marketing and raising the volume and diversity of local agricultural and horticultural products marketed under regional branding'.

##### Indicative Financial Allocations

MEASURE 1.4: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	EAGGF	UK Public	Private
2000 – 2006	123,468,000	24,692,000	24,700,000	74,076000

## Eligible Activities

Support will be available for:

1. Capital investment to improve and rationalise the processing of agricultural products (including novel and industrial crops, and ornamental foliage, in so far as they are 'agricultural products' within the definitions in Annex I of the Treaty of Rome) to achieve added value, including investment in buildings, infrastructure, services, and processing plant/equipment large- and small-scale, on and off farms. However, the purchase of land is not eligible.
2. Capital investment to enable producer-processors and processors to meet market trends and quality assurance standards (including, inter alia, agreed health, hygiene, animal welfare and environmental criteria).
3. Capital investment to improve preparation and presentation of products, and to apply new technology and innovative methods.
4. Capital investment to improve the use or elimination of by-products or waste (including, inter alia, the manufacture of 'secondary' products; anaerobic digestion and composting).
5. Capital investment to improve or rationalise marketing channels or processing procedures (but excluding investment at the retail level). Examples might include the development of local collection and distribution networks, rationalisation of livestock auction marts.
6. Revenue costs but only up to a limit of 12% of total eligible costs and only if they are for necessary consultancy and professional fees directly associated with the capital investment (e.g. architects and surveyors fees).

Eligible investments include new buildings, refurbishing existing buildings, and purchasing and installing equipment. Purchase of land is not eligible.

The provision of professional facilitation for project development can be supported by Measure 4.6.

### Additional eligibility guidance

1. **Ingredients.**
  - a). Products to be processed (i.e. ingredients) must fall within the definition of agricultural products as laid down in Annex 1 of the Treaty of Rome.
  - b). Funding will not be available for the processing and marketing of products from third countries (i.e. those outside the EU). However, a small proportion of such ingredients, i.e. up to 10% of a project's annual input (by value or volume), can be accepted.
  - c). Fish is not an agricultural product and is another ineligible ingredient.  
**Applicants are advised to seek advice from GOSW in all cases involving a proportion of ineligible ingredients.**
2. The measure excludes any producer activities covered by Community aided programmes developed by recognised producer organisations under Council Regulation 2200/96 (principally covering fruit, vegetables, fruit and vegetable processing, citrus, nuts and mushrooms).
3. Investments at the retail level (e.g. shops, restaurants) are not eligible under this Measure (but see Measure 4.6).
4. Applicants will need to provide evidence of the existence of normal market outlets for the products concerned. When assessing applications, the secretariat will consider issues such as market research, letters of intent from major buyers, the current state of supply of the product in question, the additionality of the market and risk of displacement, and the use of regional branding.
5. Investments must **guarantee primary producers an adequate share in the resulting economic benefits.** The secretariat will use a number of criteria including the origin of the raw material, the volume of raw material to be used, contractual arrangements made for the supply of raw material, pricing arrangements for raw material, number of jobs protected or created. If the processing facility is to be operated by a farmer or grower, the proportion of raw material sourced from other producers will be taken into account.

6. Investments must comply with minimum standards regarding environment, hygiene and animal welfare.

**Grant rates**

In line with Defra policy (which is based on evaluations of past Processing and Marketing grant schemes) the maximum grant rate will normally be 40% (including 20% EAGGF, 20% UK public). However, in exceptional cases funding will be available up to a total of 50% (including 25% EAGGF, 25% UK public) which is the maximum permitted by RDR. Examples of such cases might include proposals with exceptional establishment and running costs resulting from location (e.g. on the Isles of Scilly); small-scale processing of speciality foods with limited economies of scale; and projects of particular strategic importance which would not go ahead without 50% intervention. In all cases, the grant payable will be the minimum necessary to enable the project to proceed.

**Measure criteria**

The measure criteria form part of the project appraisal and scoring criteria adopted by the Secretariat and partners, and are as follows:-

1. The extent to which the producers of primary products will share in the resulting economic benefits
2. The extent of other, wider benefits
3. The strength of the identified market(s) for the resulting products
4. The extent to which the project will lead to an increase in quality of what is produced for the market
5. The extent to which professional advice/support is incorporated within the proposal.

**Measure Targets**

MEASURE 1.4 PROCESSING AND OF QUALITY AGRICULTURAL PRODUCTS – KEY OUTPUTS, RESULTS AND IMPACTS BY 2010	
Indicator	Target
<b>Outputs</b>	
Number of Agricultural SMEs assisted	500
Number of additional agricultural businesses supplying produce for new processing activities in the Objective 1 area	300
Number of additional agricultural businesses supplying produce to regionally branded products	400
Number of new products marketed	100
<b>Results</b>	
Gross Direct FTE Jobs Safeguarded	850
Gross Direct FTE Jobs Created	300
Gross Sales Safeguarded	£160m
Gross Additional Sales	£90m
<b>Impact</b>	
Net Additional Jobs Safeguarded	300
Net Additional Jobs Created	200
Net Additional GDP Safeguarded	£30m
Net additional GDP created	£10m
¹ All jobs are Full Time Equivalents (FTEs)	

Please find the targets relating to the 3 cross cutting themes detailed in the following section of the Programme Complement. These must also be addressed

**MEASURE 1.5 SUPPORTING THE NEW ENTREPRENEUR**

**Introduction**

New businesses will be an important source of new employment and wealth. This highlights a need to improve the rate of business formation and to ensure that any start-up businesses that emerge have the

necessary skills and resources to meet the challenge of achieving sustainable growth. The incubation and encouragement of new businesses to start trading will not, in itself, be sufficient. Incubation and the early years of operations are critical and many business failures occur because of the absence of an appropriate support infrastructure, which is sensitive and responsive to their needs.

Although Cornwall and the Isles of Scilly have a high number of businesses and high levels of self-employment, there is a continuing need to encourage more people to establish new businesses. This is particularly the case for those with either high levels of skills and management experience or those with a particular interest in the use of ICT.

There is considerable untapped potential in Cornwall and the Isles of Scilly. This includes women who continue to make up a minority of business owners and managers. In addition, the region now produces a regular supply of well-qualified young people from Further and Higher Education Institutions. Supporting the pool of talents of women and well-qualified young people will be an important theme.

Support will be available to assist individuals seeking to establish a businesses and new businesses that have been trading for under 2 years. New businesses encompassed by Measure 1.6 will be eligible for support under this measure.

**Objective**

The Objective for this measure is:

‘To increase the number and survival rates of new business starts through the provision of comprehensive business support services’.

**Indicative Financial Allocations**

MEASURE 1.5: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	21,920,000	9,417,000	7,090,000	5,413,000

**Eligible activities**

This Measure will provide revenue support. Capital support is available, where appropriate, under Measure 1.1. Support will be available for:

1. Revenue support associated with specialist start-up accommodation, including incubation;
2. Business support services, including mentoring, dedicated to supporting new starts, particularly where they are targeted on activities not highly represented in the business community;
3. Support for the identification of opportunities, either individually or collectively, in terms of research and market assessment of new areas of activity or opportunity (i.e. development of business cases), and including support for the dissemination of results;
4. Support to promote new business networks particularly those using ICT and those seeking new investors.

Particular efforts will be made to increase the number of women setting up in business. This will include identifying and addressing constraints that act as barriers for women. This will include providing support to offset childcare responsibilities and the organisation of events and support at times and places which recognise the need for family friendly actions.

**Measure selection criteria**

1. The provision of substantive support, clearly able to generate significant benefits for the new start;
2. The extent to which support is directly channelled to the individual or enterprise;
3. The extent to which support targets high quality new starts, particularly in knowledge-based industries; and

4. The inclusion of on-going client management support.

Measure Targets

MEASURE 1.5: SUPPORTING THE NEW ENTREPRENEUR – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
Outputs	
Number of new starts assisted	1,475
Results	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	-
Gross Direct FTE Jobs Created <sup>1</sup>	2,195
Gross Sales Safeguarded	-
Gross Additional Sales	£227m
Impact	
Net Additional Jobs Safeguarded <sup>1</sup>	-
Net Additional Jobs Created <sup>1</sup>	750
Net Additional GDP Safeguarded	-
Net additional GDP created	£15m
<sup>1</sup> All jobs are Full Time Equivalents (FTEs) Please find the targets relating to the 3 cross cutting themes detailed in the following section of the Programme Complement. These must also be addressed	

MEASURE 1.6: DEVELOPING SECTORS WITH GROWTH POTENTIAL

Measure Introduction

An over-dependence on declining sectors is one of the explanations for the relatively poor performance of the Cornwall economy. Action is needed to encourage innovation, product development, diversification and the development of clusters of activity in sectors that offer greater potential for long-term growth. This must seek, where possible, to build on the relative strengths of the region but must also encourage the development of critical mass in new and emerging sectors. Of particular relevance is the need to encourage activity and growth in higher value added and knowledge-based sectors especially those which make best use of new and emerging technologies including ICT.

A number of factors will be used to direct the deployment of resources. These include the current base in growth sectors, the scale of opportunity available, and the relevance of the activity/sector to the Cornwall and Isles of Scilly situation. Emphasis will be placed on new sectors where knowledge and technical skills are at a premium compared to, for example, sectors where access to particular materials or large local markets are the determinants. This will allow Cornwall to develop sectors where employment and economic activity are genuinely sustainable.

Although there is an inevitable focus of attention on new sectors and innovative areas of activity, this Measure will provide support to existing sectors where further growth is forecast. Support may also be provided to clusters, where this is a more appropriate targeting mechanism than sectoral designation. A number of sectors have been identified as having considerable potential in terms of developing new opportunities. These include life sciences, marine engineering, renewable energies, tourism, food, environment and earth technologies and multi media. The PMC will identify relevant sectors or clusters to be supported using appropriate criteria including current strength of the business base, growth forecasts for the sector, and potential employment impact. The PMC will periodically review and update the list of eligible sectors to ensure that new opportunities and developments are identified at an early stage.

Support will be available for new and existing SMEs, and in some circumstances large companies, in target sectors agreed by the PMC. The initial target sectors are:

- § Life sciences;

- § Marine sector;
- § Environmental and earth technologies, including renewable energy;
- § Food (where distinct from, and additional to, EAGGF support);
- § Tourism
- § Multi-media.

The target sectors identified above are not intended to be exclusive, but any project proposals from outside of these sectors will be required to demonstrate their designation as new or high growth sectors, and the value added to the economy. Priority will be given to activities which act in support of agreed sectoral strategies, although the development of such strategies are not a mandatory requirement. This Measure may also support the development of innovation and incubation facilities, for example those being developed at Tremough and Treliske.

### Objective

The Objective of this measure is:

‘To increase the number of businesses and employment in new and high growth sectors through the provision of targeted business support’.

### Indicative Financial Allocations

MEASURE 1.6 : INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	41,998,000	17,058,000	17,940,000	7,000,000

### Eligible activities

Support will be available for:

1. Feasibility and risk assessment studies for SMEs to explore new business opportunities, either in terms of innovative products or markets; the identification of opportunities, either individually or sectorally, in terms of research and market assessment of new areas of activity or opportunity and trends or practices in the same or other sectors, especially in relation to the use of new and emerging technologies and ICT;
2. Business support services aimed specifically at SMEs and individuals in new/growth sectors;
3. The provision of advice and information on design, innovation, licensing, marketing and product development, including technology transfer between academic/research institutions and business;
4. Support for business networks, industrial co-operation and inward investment; and support for the adoption of environmentally friendly products and processes, in particular the encouragement of environmental sciences, applied technology, energy efficiency and alternatives.

### Measure selection criteria

1. The provision of substantive support, clearly able to generate significant benefits for the individual SME;
2. The extent to which activities contribute to an agreed sectoral strategy;
3. The extent to which support is directly channelled to the individual or enterprise; and
4. The inclusion of on-going client management support.

### Measure Targets

MEASURE 1.6: DEVELOPING SECTORS WITH GROWTH POTENTIAL – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Number of studies supported	30
Number of SMEs assisted	200
<b>Results</b>	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	500
Gross Direct FTE Jobs Created <sup>1</sup>	2,200
Gross Sales Safeguarded	£26m
Gross Additional Sales	£120m
<b>Impact</b>	
Net Additional Jobs Safeguarded <sup>1</sup>	62
Net Additional Jobs Created <sup>1</sup>	1,099
Net Additional GDP Safeguarded	£12m
Net additional GDP created	£41.4m
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	
Please find the targets relating to the 3 cross cutting themes detailed in the following section of the Programme Complement. These must also be addressed	

## MEASURE 1.7 - NEW EMPLOYMENT OPPORTUNITIES

### Introduction

This is an ESF measure to support the activities in Measure 1.6. In order to raise the long-term prosperity of the area there is a need to promote the growth of new businesses and sectors which are capable of providing significant numbers of higher paid employment opportunities. Priority will be given to supporting to the development of the skills needed by the sectors/clusters with the potential for growth and to encourage innovation, product development and diversification. A highly qualified workforce is required to enable these sectors to grow. Many of the employment opportunities created by the new and emerging sectors require higher-level and/or technical skills. Although Cornwall and the Isles of Scilly have a pool of people with technical and professional skills, there is a need to support further skills development both for existing employees and the potential workforce. A programme of continuing professional development will help to ensure that talented individuals are retained in the area. This will also help to ensure that the demands of growing businesses are met.

### Objective

The objective of this measure is:

‘To facilitate the growth and development of SMEs in new and emerging sectors through appropriate training and HRD-related support’.

### Indicative Financial Allocations

MEASURE 1.7: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ESF	UK Public	Private
2000 – 2003	20,291,000	7,757,000	9,550,000	2,984,000

The 2004 – 2006 allocations are transferred to new measure 3.7

### Eligible Activities

Support will be available for:

1. Feasibility studies and research projects relating to skill needs and demand and supply of labour in new and emerging sectors and technology identified in Measure 1.6; \*

2. Company-based anticipation activities for new and existing companies in sectors targeted for support under Measure 1.6;
3. Provision of skills training and development, particularly but not exclusively aimed at higher-level skills; support for management and business training for supervisors, professionals and managers, for new and existing companies in sectors targeted for support under Measure 1.6;
4. The provision of tailored recruitment and training packages which complement activity under Measure 1.1 and 1.6, for new and existing companies in sectors targeted for support under Measure 1.6.

\* The target sectors identified in Measure 1.6 are not intended to be exclusive, but any project proposals from outside these sectors will be required to demonstrate their designation as new or high growth businesses, and the value added to the economy. Priority will be given to activities which act in support of agreed sectoral strategies although the development of such strategies are not a mandatory requirement.

### Measure Selection Criteria

The ESF selection criteria, against which all project applications in this Priority will be scored, is based on the English Objective 3 Operational Programme and has been approved by the PMC. Applications reaching the 65% minimum quality threshold will then be appraised against the above Priority criteria. Full details of the scoring and selection process is contained in the 'Objective 1 ESF Applications Guidance' which available on the GOSW website or from the Secretariat.

### Measure Targets 2000 - 2003

MEASURE 1.7: NEW EMPLOYMENT OPPORTUNITIES - KEY OUTPUTS, RESULTS AND IMPACTS BY 2010	
Indicator	Target
Outputs	
Total number of measure beneficiaries	6,000
Of which:	
Number of employed people assisted with training	4,000
Number of employed people supported	1,000
Number of economically inactive people supported	1,000
Number of women beneficiaries	2,400 (40% of total)
Number of new start SMEs assisted	200
Number of SMEs assisted with training	400
Number of SMEs supported	100
Results	
Number of employed beneficiaries securing a qualification or units towards one	2,000
Number on new business starts still operating after 2 years	100
Beneficiary details must be disaggregated by gender	

Please find the targets relating to the 3 cross cutting themes detailed in the following section of the Programme Complement. These must also be addressed.

## PRIORITY 2: STRATEGIC INVESTMENTS AND DEVELOPMENT

### Priority Introduction

This Priority is intended to provide the capital investment that will create the foundation for Cornwall and the Isles of Scilly's growth. The Lisbon agenda recognises that the regions of the EU have to respond to a shift in the sources of economic development, which is being driven by globalisation and the knowledge-based economy. This Priority gives the Partnership the opportunity to modernise its infrastructure to meet this challenge, thereby providing a platform for attracting private investment.

Investment decisions for the remainder of the Programme will be driven by the continuing ambition to deliver strategic economic uplift for the region, particularly in terms of providing the infrastructure for a more knowledge-based economy and its potential for driving economic regeneration and development.

The unique feature of the investments proposed under Priority 2 is that the scale of investment, the linkages between them, and the positive economic conditions in the region mean that the Partnership is investing for growth and prosperity, based on real opportunities capitalising on strengths and assets. This Priority provides the opportunity to invest in existing successes in order to maintain and enhance the associated economic impacts on the region.

The nature of opportunities for sustainable development vary with location. Strategic investment in key infrastructure offers the broadest impact when sited in or around the major towns, with economic links into the surrounding rural community or where an activity has its own momentum to drive forward far-reaching impacts.

Strategic investment for this Priority, means support for activities that:

- will deliver a sustainable and significant economic impact;
- offer an effective 'mix' of quality, size and location to create a step-change to existing provision;
- have sought out and can demonstrate the ability to work in partnership with other appropriate initiatives and
- offer further opportunities for future development to enable the region to maintain a momentum of continuing improvement.

This Priority also makes provision for small-scale development to support micro-businesses. Appropriate locations will enable new companies to start-up and help sustain them in their early years with a view to those companies growing and as a group impacting significantly on the economy. Schemes across Cornwall and the Isles of Scilly can access support, with particular emphasis on facilities provided in the CED targeted wards.

A fundamental strand in delivering this Priority is using Higher Education as a means of driving forward the economic growth. The Combined Universities in Cornwall (CUC) has a key role to play in developing opportunities by supporting intellectual assets and building on high quality HE and FE provision. HE facilities and FE facilities that will support delivery of the CUC strategy can be supported under this Priority.

The key to determining the success of the Priority will be through monitoring achievement of the results set out under each Measure, in addition to any project specific targets. The focus of this Measure is on providing opportunities for new or existing businesses. Project applicants & sponsors will be required to provide appropriate baseline information, and subsequently report on location of project beneficiaries, existing employment numbers, gender breakdown of workforce and sectoral activity. Applicant responsibility for comprehensive reporting on outputs and results will enable effective evaluation of the Programme impact on the region's economy and its success in raising GDP.

### Priority Objective

'To increase employment and investment through an integrated approach to the development of strategic investments'

### Measures

The measures which will help meet the strategic objective are:

- Measure 2.1: Strategic Sites and Premises (ERDF capital & revenue)  
Objective: To increase employment and investment through the development of a limited number of strategic sites to provide suitable investment for major new locations.
- Measure 2.2: Employment Growth Centres (ERDF capital & revenue)  
Objective: To maximise economic development by concentrating major development on towns, where integrated investment can lead to the maintenance and growth of employment in a sustainable manner based on economic growth.
- Measure 2.3: transferred to Measures 2.1, 2.2 & 2.5
- Measure 2.4: Strategic Regional Infrastructure (ERDF capital & revenue)  
Objective: To increase employment and investment opportunities through the removal of infrastructure constraints
- Measure 2.5: Strategic Investments (ERDF capital & revenue)  
Objective: To maximise economic development through a number of strategic investments leading to the maintenance and growth of business performance
- Measure 2.6: Micro-business Workspace Development (ERDF capital)  
Objective: To support the growth and expansion of businesses through the provision of appropriate development.
- Measure 2.7: The Knowledge Driven Region (ERDF capital and revenue)  
Objective: To support the development of a higher quality knowledge driven economy through the provision of facilities which allow the region to further develop and capitalise on intellectual assets, increase the provision of higher-level employment opportunities and intellectual capital, building on the strengths of the region.

### Priority Selection Criteria

The Priority Criteria is used to obtain a score for each project (see Chapter 2). In order to effectively select projects ERDF will use the final project "score" as one of a number of criteria in recommending which projects should be supported. This will allow the appraisal system to be used as a guide to the suitability of a project, with other factors determining the final recommendations. It will also allow the members of Priority Management Groups to bring their practical experience to bear.

#### Contribution to Priority Criteria

1. Leads to significant private sector investment
2. Comprehensive and high quality area strategies
3. Secure benefits for local SMEs from any new investment
4. Improve the quality of the natural and/or built environment
5. Increase the intellectual capital in Cornwall & Scilly

#### Contribution to additional benefits

1. Attract and develop higher value added companies and employment
2. Improve the quality of the business environment/infrastructure

3. Remove or address a significant infrastructure constraint

Priority Financial Allocations

The following Table indicates the financial allocation at the Priority level.

Indicative Measure Financial Allocations

PRIORITY 2: STRATEGIC INVESTMENTS AND DEVELOPMENT - SUMMARY FINANCIAL TABLE (MEUROS)				
	Total Costs	EU	UK Public	Private
ERDF	281,874,500	108,874,500	132,000,000	41,000,000
Totals	281,874,500	108,874,500	132,000,000	41,000,000

PRIORITY 2: STRATEGIC INVESTMENTS AND DEVELOPMENT - SUMMARY FINANCIAL TABLE (MEUROS)								
	Total Costs	Total EU	ERDF	ESF	EAGGF	FIFG	UK Public	Private
Measure 1	85,700,000	32,578,000	33,500,000	0	0	0	45,500,000	6,700,000
Measure 2	23,371,000	9,371,000	9,371,000	0	0	0	11,000,000	3,000,000
Measure 3	0	0	0	0	0	0	0	0
Measure 4	55,734,000	11,434,000	11,434,000	0	0	0	19,000,000	25,300,000
Measure 5	34,804,000	16,154,000	16,154,000	0	0	0	12,650,000	6,000,000
Measure 6	0	0	0	0	0	0	0	0
Measure 7	82,265,000	38,415,000	38,415,500	0	0	0	43,850,000	0
Total	286,909,000	108,874,500	108,874,500	0	0	0	132,000,000	41,000,000

MEASURE 2.1: STRATEGIC INVESTMENTS

Measure Introduction

Cornwall has the ability to attract major new investments to the region and also has a number of companies, sectors and projects previously supported by Structural Funds that could significantly expand their operation. As such, there is a need for a number of high quality, relatively large-scale locations in addition to investment in existing strategic sites to take advantage of these opportunities.

The intention of this Measure is to help to develop a number of regionally important locations and channel new investments positively, i.e., to locations where the infrastructure can support development and where people will be able to access the employment opportunities. This would be for both inward investors and the expansion of existing businesses projects.

A high priority will be given to building upon investments made under the 1994-1999 5(b) Programme. There are a number of capital investments that will be completed in the early part of the new Programme period, and where additional investment may result in additional benefits and contribute towards the re-structuring of the Cornish economy.

In the Camborne/Redruth/Pool area, identified in the draft Regional Planning Guidance as in need of regeneration, sites which are predominantly brown field potentially amount to 90 hectares; the area is taking on an increasingly significant importance which has been recognised in the formation of an Urban Regeneration Company (URC).

The need to secure higher skilled and higher paid jobs is a key objective for the Programme and development of certain sectors is of particular importance. There are a number of opportunities to develop sectors or clusters and an important aim is the development of themed /specialist centres such as University Science Park, a Marine Park and an Energy park. Developing a critical mass of companies and coherent support network is important in developing sustainable sectors where Cornwall can establish and maintain a competitive advantage, ensure technological transfer and increase its level of intellectual capital.

The types of developments envisaged i.e., well-located, with high quality business/commercial space set in a high quality environment will require some public sector investment to prepare the site and to undertake the building of premises and facilities.

### Measure Objective

The objective of this Measure is:

'To increase employment and investment through the development of a limited number of strategic sites to provide locations for major new investments'.

### Indicative Financial Allocations

MEASURE 2.1 : INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 - 2006	85,700,000	33,500,000	45,500,000	6,700,000

### Eligible Activities

This is a capital and revenue Measure. Support will be available for:

1. Market demand, financial and technical feasibility studies;
2. Development of identified strategic sites and associated facilities;
3. The provision of appropriate site infrastructure and high quality business, industrial and commercial premises on designated strategic sites;
4. Environmental improvements to improve the quality of strategic sites.

### Measure Selection Criteria

1. Alignment with the Regional Planning Guidance, County Structure Plan and a satisfactory sustainability appraisal;
2. The degree of private sector involvement;
3. Activities aimed at strengthening sectors identified for support under Measure 1.6;
4. The re-use of brownfield land and/or existing premises.

### Measure Targets

Quantified targets for outputs, results and impacts for Measure 2.1 are presented below.

MEASURE 2.1: STRATEGIC INVESTMENTS- KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Hectares of serviced land taken up for development	10
Sqm of premises supported	10,000
No. of development projects	3
<b>Results</b>	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	644
Gross Direct FTE Jobs Created <sup>1</sup>	368
Gross Sales Safeguarded	£56.95m
Gross Additional Sales	£67.05m
<b>Impact</b>	
Net Additional Jobs Safeguarded <sup>1</sup>	521
Net Additional Jobs Created <sup>1</sup>	238

Net Additional GDP Safeguarded	£109.47m
Net additional GDP created	£6.04m
<sup>1</sup> All jobs are Full Time Equivalents (FTEs) Please find the targets relating to the 3 cross cutting themes detailed in the following section of the Programme Complement. These must also be addressed	

## MEASURE 2.2: EMPLOYMENT GROWTH CENTRES

### Measure Introduction

Cornwall has a large number of towns with a significant employment base providing employment to wide catchment areas. Further development of the principal centres will allow new jobs to be created at appropriate locations, particularly in relation to sustainable development principles.

The towns of Cornwall have both strengths and weaknesses, but are all markedly different and dependant on a number of factors, which affect the range of opportunities and threats. The opportunity exists to pursue a range of prospects based in the variety of towns. This includes, for example, maritime and tourism at Falmouth, and tourism and airport developments at Newquay. Securing new opportunities is a medium to long-term exercise, particularly where infrastructure improvements are required to realise new investment.

This Measure will develop a geographic spread of opportunities to ensure that a large proportion of the population will have access to new jobs, especially those utilising ICT. Account will be taken of the scale of the potential opportunity, the extent to which the benefits are sustainable, the likelihood of genuinely new activity being generated, the links to the national and local economy and to efforts made in linking new employment opportunities to those most in need of employment.

### Measure Objective

The objective of this Measure is:

'To maximise economic development by concentrating major development on towns, where integrated investment can lead to the maintenance and growth of employment in a sustainable manner based on economic growth centres.'

### Indicative Financial Allocations

MEASURE 2.2 : INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 - 2006	23,371,000	9,371,000	11,000,000	3,000,000

### Eligible Activities

This is a capital and revenue Measure. Support will be available for:

1. Market demand, financial and technical feasibility studies;
2. Development/re-development of identified locations and facilities; including public realm work;
3. The provision of key infrastructure and other services to the location;
4. The provision of sites and premises, workspace leading to increased economic use within towns, particularly space above retail premises.

### Measure Selection Criteria

1. The quality of the integrated area development plan
2. The likely scale of benefits, including the quality of jobs

3. The contribution from the private sector, both in the development of the plan and in terms of financial contribution
4. The links to people and SME development, to ensure that benefits are spread throughout the Programme Area.

### Measure Targets

Quantified targets for outputs, results and impacts for Measure 2.2 are presented below.

MEASURE 2.2: EMPLOYMENT GROWTH CENTRES- KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
No. of Area Development Plans enabled by Programme	10
No. of technical studies	2
<b>Results</b>	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	162
Gross Direct FTE Jobs Created <sup>1</sup>	358
Gross Sales Safeguarded	£20.78m
Gross Additional Sales	£32.3m
<b>Impact</b>	
Net Additional Jobs Safeguarded <sup>1</sup>	46
Net Additional Jobs Created <sup>1</sup>	92
Net Additional GDP Safeguarded	£3.52m
Net additional GDP created	£11.162m
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	
Please find the targets relating to the 3 cross cutting themes detailed in the following section of the Programme Complement. These must also be addressed	

### MEASURE 2.3: EMBEDDING THE BENEFITS OF NEW INVESTMENT

The 2000-2003 allocation in this Measure has been vired to Measures 2.1 and 2.2. The 2004-2006 allocation has been transferred to Measures 2.1, 2.2 and 2.5.

### MEASURE 2.4: STRATEGIC REGIONAL INFRASTRUCTURE

#### Measure Introduction

Transport and communication infrastructure are fundamental to a modern, sustainable economy. The County is set to benefit from new investment in road, rail and ICT infrastructure and there is a need to maintain momentum to ensure that the benefits of strategic investments are not eroded by poor communication links. Addressing key constraints, including difficulties with regard to ICT infrastructure, remains an underlying theme of the Priority.

Improved transport provides the key for spreading the benefit of activities in key strategic locations around the whole of the region. The rail system is a key regional asset and support for double-tracking the line between Probus & Burngullow has already been provided through the Programme to improve journey times to London. The rail network also has the potential to accommodate more freight, thus allowing the economy to expand without putting as many additional lorries on to the roads as would otherwise be required.

Newquay is the only airport in Cornwall with scheduled services to London, one of the key communication routes for business travellers. Maintaining these services is of critical importance to the region. There are additional business opportunities that could be developed in and around the airport. There is a heliport at Penzance and a heliport/airport on the Isles of Scilly. In the case of the Isles of Scilly the air service is the only passenger route in the winter, and substantial visitors use the service in the summer. As important, the air link is a lifeline service of the community, essential for health and other emergency services.

Sea transport also provides a vital link to the Isles of Scilly, with freight and passengers travelling between Penzance and the islands. This is an essential service, and is vital to the economic prosperity of the islands.

Commitment from the Department for Transport to bring forward key road developments in the region is a much needed step forward for the region and enables Structural Funds to be concentrated on other key developments. The improvement of the transport network in the major towns will assist further economic development opportunities where other public sources of funds are unable to take proposals forward. This Priority will also support sustainable transport schemes that promote growth of public services for the purpose of accessing employment and training.

Given the rurality of the region Information Communication Technology is an important way of providing business with the means to operate on a par with the rest of Europe and it is a fundamental part of modern infrastructure environment for a more knowledge-based economy. Upgrading ICT infrastructure remains a priority for the Programme. Given the sparse population in many parts of Cornwall it is likely that intervention will be required to ensure that new investment takes place. This needs to involve working closely with the private sector and stimulating demand to ensure that sustainable markets are created. The enhancement of ICT infrastructure capable of supporting demand, including the ICT enablement of business premises is a vital part of this Programme's key role in enabling effective use of ICT.

Support will be available to public and private sector organisations, for projects that provide demonstrable economic benefits for the people and business in Cornwall and Scilly.

### Measure Objective

The objective of this Measure is:

**'To remove infrastructure barriers that act as a constraint to the realisation of the full beneficial impact of projects and plans'.**

### Indicative Financial Allocations

MEASURE 2.4 : INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 - 2006	55,734,000	11,434,000	19,000,000	25,300,000

### Eligible Activities

This is a capital and revenue Measure. Support will be available for:

1. Market demand, financial, and technical feasibility studies into transport constraints and solutions;
2. Improvements to the road network required to access new development opportunities;
3. Improvements to the rail network required to secure access for development opportunities or where the improvements in journey times will lead to demonstrable economic benefits to Cornwall and Isles of Scilly;
4. Inter modal freight facilities required to allow Cornish businesses to grow;
5. Improvements to air transport facilities necessary to access additional economic opportunities;
6. Improvements to harbour and port facilities related to the needs of Cornish businesses;
7. Investment to improve integration of transport systems;
8. ICT provision where there is clear evidence of market potential and market failure;
9. Innovative schemes to provide renewable energy infrastructure and waste management;

10. Support for transport and communication links between the Isles of Scilly and between Isles of Scilly and the mainland of Cornwall;
11. Sustainable transport schemes that promote growth of public services for the purpose of accessing employment and training.

**Measure Selection Criteria**

1. Consistency with Regional Planning Guidance, the Regional Transport Strategy and the County Structure Plan;
2. The importance of the "bottleneck" or constraint being addressed;
3. The scale of economic opportunities likely to be opened up as a result of the investment.

**Measure Targets**

Quantified targets for outputs, results and impacts for Measure 2.4 are presented below.

MEASURE 2.4: STRATEGIC REGIONAL INFRASTRUCTURE – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Kilometres of railway track improved	11
No. of public transport services improved	5
Area of region able to access broadband	100%
No. of technical studies	5
<b>Results</b>	
Reduction in rail journey time to London	8 minutes
Passenger Business NPV	£26m
<b>Impact</b>	
Net Additional jobs Safeguarded <sup>1</sup>	The final impact will be dependent upon the nature of the projects selected and forecast impacts based on benchmarks are unsuitable given the nature of the investments. The economic benefits will be reviewed as part of the appraisal process, and the forecast results and impacts will be presented in the Final Programme Report.
Net Additional Jobs Created <sup>1</sup>	
Net Additional GDP Safeguarded	
Net Additional GDP Created	
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	
<b>Please find the targets relating to the 3 cross cutting themes detailed in the following section of the Programme Complement. These must also be addressed</b>	

**MEASURE 2.5: STRATEGIC INVESTMENTS**

**Measure Introduction:**

Cornwall and the Isles of Scilly face the challenge of generating new and additional jobs (to take account of the numbers currently seeking employment, unemployed, returners and new entrants, and the forecast increase in the working age population), and generating higher quality and higher paid jobs to move away from a low value added, low wage economy. The need to secure major new developments, which can capitalise on the strengths of Cornwall, is a key component of the new Programme. At the same time new opportunities have to be encouraged which develop assets that will act as engines for growth.

Under the new draft County Structure plan it is envisaged that economic growth and employment will be encouraged in the main towns by prioritising the regeneration of urban areas and town centres as a focus for commercial and business activity and maintaining a range of sites to meet the needs of existing and new firms within or well integrated with built up areas. The major towns differ considerably and offer a variety of opportunities for development. Other towns have competitive advantages in particular areas, either because of a sectoral strength (such as tourism) or due to location. There is

therefore, a range of opportunities around the towns of Cornwall that could be pursued to diversify and strengthen the economic base.

Major Towns

- St Austell
- Truro
- Bodmin
- Falmouth/Penryn
- Newquay
- Liskeard
- Camborne/Pool
- Redruth
- Hayle/St.Ives
- Penzance/Newlyn
- The Isles of Scilly
- Saltash
- Bude

This measure is designed to support activities that will stimulate and /or strengthen economic development to a significant extent. There is no single type of investment that will generate the scale and range of opportunities needed for sustainable economic growth. Nor is there any single location or type of location that can be pursued to the exclusion of other opportunities. Instead, Cornwall and Isles of Scilly needs to develop a range of strategic investments that build upon existing assets, including key towns and flagship projects; introduce new assets to the County where the long term growth prospects offer significant benefits; and further develop investments based around national and regional trends linked to the strengths of the County, notably with regard to clusters.

Projects will provide sites and premises that will help to secure investment in Cornwall and the Isles of Scilly. These may be provided by private or public sector organisations. Companies occupying sites and premises may be either SMEs or large companies. The primary beneficiaries will be the companies within designated centres, but benefits are expected to reach people and businesses located outside of the designated area. Although the Cornwall and Scilly economy is much smaller than the larger urban economies normally associated with cluster development, the potential exists in a number of sectors for the spatial concentration of business development; this could happen virtually. Potential cluster based developments include marine and related engineering, food and drink, tourism and creative industries, and environmental research and development.

There is also provision for a number of revenue activities that will enhance the impact of the capital schemes supported by this Measure. Developing key sites & settlements needs to be complemented by comprehensive support programmes if the maximum gain is to be achieved for the businesses and residents of Cornwall and the Isles of Scilly. Added value will be achieved by, firstly encouraging and facilitating investment whether from existing businesses or inward investors. Secondly, the establishment of clusters will ensure a synergistic impact on the economy especially when linked to a local regional base. Appropriate aftercare support will ensure continued expansion of business activity and the nurturing of growth activities.

Objective

The objective of this Measure is:

‘To maximise economic development through a number of strategic investments leading to the maintenance and growth of business performance’

Indicative Financial Allocations

MEASURE 2.5: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	34,804,000	16,154,000	12,650,000	6,000,000

Eligible activities

This is a capital and revenue Measure. Support will be available for:

1. Market demand, financial and technical feasibility studies;

2. The provision of appropriate site infrastructure and high quality business, industrial and commercial premises on designated strategic sites;
3. Environmental improvements to improve the quality of strategic sites;
4. Development/re-development of strategic locations and facilities; including public realm;
5. The provision of key infrastructure and other services to the location;
6. The provision of sites and premises, workspace leading to increased economic use within towns, particularly space above retail premises;
7. The development of technology support centres and applied research centres.

The following revenue activities can be assisted to support the capital activity listed above

8. Marketing, business development and aftercare initiatives linked to advising and supporting local SMEs to take advantage of new opportunities;
9. Technical and feasibility studies linked to SME and people development opportunities;
10. The costs associated with developing and maintaining links between new, local and inward investment and employment pacts;
11. Supply chain initiatives;
12. Promotional campaigns to secure new investment.

#### Measure Selection Criteria

1. Alignment with the Regional Planning Guidance & County Structure Plan;
2. The degree of private sector involvement;
3. The re-use of brownfield land and/or existing premises;
4. The quality of the area strategy supported by the proposal;
5. The likely scale of benefits, including the quality of jobs;
6. The links to people and SME development, to ensure that benefits are targeted within the Programme Area;
7. Links to capital investments funded under this Measure;
8. Activities aimed at strengthening sectors identified for support under Measure 1.6.

#### Measure Targets

MEASURE 2.5: STRATEGIC INVESTMENTS- KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Hectares of serviced land taken up for development	10
Sqm of premises supported	11,000
Subset: Sqm high quality premises	6,200
No. of SMEs supported	60
<b>Results</b>	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	450
Gross Direct FTE Jobs Created <sup>1</sup>	600
Gross Sales Safeguarded	£37m
Gross Additional Sales	£56m
<b>Impact</b>	
Net Additional Jobs Safeguarded <sup>1</sup>	200
Net Additional Jobs Created <sup>1</sup>	200

Net Additional GDP Safeguarded	£2m
Net additional GDP created	£2m
† All jobs are Full Time Equivalents (FTEs)	
Please find the targets relating to the 3 cross cutting themes detailed in the following section of the Programme Complement. These must also be addressed	

## MEASURE 2.6: MICRO-BUSINESS WORKSPACE DEVELOPMENT

*Although the financial allocation has been transferred to measure 2.7, the text below is intended to provide guidance for potential workspace development under measure 4.8. The activities will be carried out, and funded from measure 4.8, but will be expected to comply with the criteria below.*

### Measure Introduction:

It is neither possible nor desirable to concentrate all employment opportunities in large-scale schemes in a few key locations, which is the principle objective of the strategic investment approach. This Measure provides the opportunity to invest in small-scale developments designed to support the growth of micro-businesses. In order to provide this development in a sustainable manner that will not increase commuting but will address demand and stimulate new opportunities, development will be supported both within key employment growth centres and within rural communities where major investments would be inappropriate. This will help to preserve a healthy balance between urban and rural communities, whilst maximising opportunities for both.

90% of businesses in Cornwall employ less than 10 people, meaning provision of accommodation for these businesses is key to supporting a highly significant section of the business community. Substantial public and private sector investment went in to the provision of rural workspace in the 1980s. In places supply exceeded demand and it has taken a considerable time for the market to settle down. However, most of the rural workshops provided are virtually fully let and now demand exceeds supply in many areas due to market failure which deters the commercial market from investing in workspace. There is now a requirement to invest in providing more accommodation where a different type is required or where no original provision was made.

The object of this Measure is to enable the development of appropriate new workspace which provides the quality of accommodation required by modern micro-businesses. Schemes across Cornwall and the Isles of Scilly can access support, with particular emphasis on facilities provided in the CED targeted wards.

### Measure Objective:

To support the growth and expansion of businesses through the provision of appropriate development.

### Eligible activities:

This is a capital Measure. Support will be available for:

1. Facilities to support business start-up
2. Small-scale workshops and business space.

### Measure Criteria

1. The degree of private sector involvement
2. The likelihood of support securing employment for residents and businesses
3. The use of brownfield land or existing premises

4. Located in or benefiting a CED targeted ward (see Measures 4.1/4.2)

**MEASURE 2.7: THE KNOWLEDGE DRIVEN REGION**

**Measure Introduction**

Universities have been used in other parts of the country to drive forward economic growth. Higher education facilities provide opportunities to capitalise on well paid employment, the economic purchasing power of the institution and the student population, the research and development capability within the institutions and the potential supply chain benefits. The Combined Universities in Cornwall (CUC) will allow Cornwall to similarly capitalise on the presence of a major education institution.

A key element of any efforts to strategically realign economic regeneration and development in Cornwall and the Isles of Scilly must be the facility to enhance and further develop the intellectual assets that underpin strategic development. An essential element of the Priority is therefore to provide facilities that allow for the growth of the intellectual capital of the region. CUC is an exciting opportunity to redress the deficit of intellectual capital and to build on the existing high quality HE and FE provision as well as the considerable talent of local people within the whole of Cornwall and the Isles of Scilly. This project enables an innovative approach to the challenges ahead in the migration to a more knowledge-based economy. The CUC project has been established on the curriculum strengths that exist in the region, that is, Art, Applied art, Environmental and Earth sciences. A key feature of CUC is the benefit to the businesses in the region. The CUC project is a key part of the infrastructure improvements necessary for a more knowledge-based economy.

The development and retention of a well-qualified and adaptable workforce in Cornwall and the Isles of Scilly requires a range of appropriate facilities and services which enable equal access for all. Significant potential exists to maximise the use of existing learning centres to accommodate additional vocational provision. A wider range of high quality opportunities will help to retain individuals in the region and redress the deficit of intellectual capital. Infrastructure improvements are necessary to allow a more knowledge-based economy to develop. Public and private sectors bodies will be supported with activities providing benefits to SMEs in Cornwall and Scilly in all sectors.

**Objective**

The objective of this Measure is:

**'To support the development of a higher quality knowledge driven economy through the provision of facilities which allow the region to further develop and capitalise on intellectual assets, increase the provision of higher-level employment opportunities and intellectual capital, building on the strengths of the region.'**

MEASURE 2.7: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	82,265,500	38,415,500	43,850,000	-

**Eligible activities**

The Measure supports Capital and Revenue activity. Support is available for:

1. Technical and feasibility studies to assess demand and need for new facilities;
2. Centres of excellence, research and development facilities;
3. Facilities which allow for the commercial development of activities where the region has an acknowledged strength;
4. Higher-level learning and training facilities;
5. Enhancement and development of ICT facilities including associated equipment and materials for the delivery of IT, multimedia and related training and support.

6. The provision of new and enhanced vocational training facilities,
7. Provision of a managed network and common learning platform and protocol to support training and skills development

### Measure Selection Criteria

1. The extent to which investment will improve the research and development capacity within Cornwall and the Isles of Scilly;
2. The extent to which investment builds upon and develops key sectors identified in Measure 1.6 or specifically target the high quality sectors identified within the Combined Universities in Cornwall strategy, including, Art, Applied Arts, Environmental and Earth Sciences;
3. The extent to which investments build upon previous Structural Fund and European investment in Cornwall and the Isles of Scilly.

### Measure Targets

MEASURE 2.7: KNOWLEDGE-DRIVEN REGION – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
Outputs	
Number of centres established	9
Results	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	4
Gross Direct FTE Jobs Created <sup>1</sup>	468
Gross Sales Safeguarded	£nil
Gross Additional Sales	£11.4m
Impact	
Net Additional Jobs Safeguarded <sup>1</sup>	4
Net Additional Jobs Created <sup>1</sup>	468
Net Additional GDP Safeguarded	£nil
Net additional GDP created	£11.4m
<sup>1</sup> All jobs are Full Time Equivalent (FTEs)	

## PRIORITY 3: DEVELOPING PEOPLE

### INTRODUCTION

The economies of Cornwall and the Isles of Scilly are undergoing significant change; whilst trends in employment and unemployment have been positive in recent years, relative disparities in income and wealth between the County and both regional and national averages remain. Average earnings are approximately 30% below the GB average and the occupational structure of the workforce in the region remains characterised by relatively high numbers of individuals in low skilled occupations. Although unemployment has fallen significantly, skills gaps remain across a range of occupations.

Investment is still needed to upgrade the skills and expertise of employees in order to contribute to improved business competitiveness. Research amongst local employers indicates a positive relationship between the provision of training/personal development and business performance. This Priority will seek to address the needs of existing businesses through the development of both the existing and the potential workforce. A culture of innovation and lifelong learning will be required to ensure the continuous improvement and competitiveness of business. The competitiveness of current and future SMEs is a key driver within the Programme and this Priority is designed to ensure that the competitiveness of individuals is similarly supported.

Employment growth in existing industries in Cornwall and the Isles of Scilly is unlikely to significantly narrow existing disparities in wealth and income. The growth of ICT and the knowledge economy, as well as other social and cultural changes provide significant opportunities for the County to generate a large number of well-paid, sustainable jobs. Many of these new jobs will require new specialist skills – often at a high level. Although the proportion of the Cornish workforce qualified to NVQ4 or equivalent has increased, the County continues to lag behind national and SW regional averages.

Limited individual skills such as financial planning can prevent new businesses being established or constrain their development in the initial phase. The Priority will facilitate the creation of greater numbers of new enterprises, whether conventional businesses, community/social enterprises or individuals wishing to become self-employed. In addition, efforts will be undertaken to create a broadly based entrepreneurial culture, in line with UK government objectives. In order to change attitudes and perceptions activities will be targeted across a range of groups including school pupils and students as well as under-represented groups such as women.

In order to raise the long-term prosperity of the area there is a need to promote the growth of new businesses and sectors which are capable of providing significant numbers of higher paid employment opportunities. Priority will be given to supporting to the development of the skills needed by the sectors/clusters with the potential for growth and to encourage innovation, product development and diversification. A highly qualified workforce is required to enable these sectors to grow. Many of the employment opportunities created by the new and emerging sectors require higher-level and/or technical skills. Although Cornwall and the Isles of Scilly have a pool of people with technical and professional skills, there is a need to support further skills development both for existing employees and the potential workforce. A programme of continuing professional development will help to ensure that talented individuals are retained in the area. This will also help to ensure that the demands of growing businesses are met.

It is essential to link forecast embryonic businesses that require R&D to the new University (CUC). Research groups can provide the intellectual capacity needed to ensure these new, higher value growth business get off the ground. The growth of intellectual capital intrinsically requires development of the human resource as well as personal development so funding will be provided to support individuals in the pursuit of increased knowledge that can be of economic benefit to the region. The collective activity will add value to previous, as well as proposed, CUC capital investment and provide an innovative, intellectual facet to regional distinctiveness. It will also contribute to adaptability although specialising in pre-production research and development. Efforts will be made to link all activities to the research and development needs of the SME base.

## UNEMPLOYMENT/ECONOMIC INACTIVITY

The trend in unemployment has been positive since the Programme started. The claimant unemployment rate has fallen by 63.7% since 1998 and the number of people claiming Jobseekers Allowance in August 2003 was under 6,000. Economic inactivity is now a far greater issue than unemployment. There are significant numbers of 'economically inactive' people who may be able to work even if not actively seeking work so are not registered unemployed – evidence from Jobcentre Plus indicates that some 32,000 people could potentially be supported who are currently claiming primary benefits outside of Jobseekers Allowance. These people will be targeted for additional support in order to combat social exclusion, raise employment rates and increase GDP. Consideration must also be given to young people under 18 who fall outside of the benefit system.

Evidence indicates the need to re-focus support for women in the region. A wide range of support for parents (in the main women) to return to work has been put in place over the last 4 years. General awareness-raising of equal opportunities issues has ensured that women have equal access to projects delivered through mainstream provision and other area based initiatives. Further evidence from Cornwall Adult Education Service shows that of the 30,000 recent enrolments to community education 78% are women and that the percentages have increased in each of the last 3 years. Resources will now be concentrated on support for employers and women already in employment and in increasing the participation of women in higher-level vocational training.

Raising the employability of people out of work remains a key aspect of the Priority. It will also be crucial to enable those already in employment to improve their skill levels and to enable individuals to develop the necessary skills to move between sectors. A concerted effort to ensure the inclusion of all the population in the new economy is required. With a highly dispersed population, the approach should be one of mainstreaming activity for people who are disadvantaged in the labour market and encouraging participation within every appropriate measure of the Programme.

## LOCAL AND REGIONAL POLICY CONTEXT

This Priority will act in support of the Regional Strategy, produced by the South West of England RDA on behalf of the region. It will contribute directly to a number of the key objectives of the Regional Strategy notably "to encourage a learning culture in people and business users" and "reducing barriers to employment and training". These objectives cover both competitiveness and social exclusion. The South West of England RDA has now developed a Framework for Regional Employment and Skills Action (FRESA) which has identified a number of issues that need to be addressed – mainly that the Cornwall and the Isles of Scilly economy is characterised by lower than average productivity, low wages and under-employment of people with high skill levels.

The Learning and Skills Council and Jobcentre Plus are the key local/regional organisations providing the policy context for the deployment of ESF, in line with the National Employment Action Plan. Both have now achieved the status of 'approved Co-financing Organisation' (CFO) and are responsible for co-financing or match funding the ESF within Cornwall and the Isles of Scilly in order to deliver activity across all Priority 3 measures (apart from 3.9) in the Objective 1 area. Most of the remaining 3 ESF funding will be accessed via co-financing and the two CFOs should be the first point of contact for prospective applicants.

## PRIORITY OBJECTIVE

The strategic objective of the Priority is:

To develop and maintain a highly skilled, adaptable workforce which meets the needs of the economy of Cornwall and the Isles of Scilly, whilst promoting equality of opportunity and access for all groups in the labour market.

In order to ensure that the strategic objective is achieved, some of the original measures have been revised. The new measures and their objectives will continue to fit closely with the Policy Fields in the ESF Regulation and the National Action Plan for Employment which recognises the need for an

integrated and comprehensive approach to human resource development in order to improve competitiveness and promote social cohesion.

The measures developed to realise the strategic objective are as follows:

- ◆ Measure 3.1: Active Labour Market Policies (ESF) – the 2004 to 2006 allocation for this measure will be transferred to new Measure 3.8
- ◆ Measure 3.2: Learning for Competitive Business and Enterprise (ESF)
- ◆ Measure 3.3: Lifelong Learning (ESF)
- ◆ Measure 3.4: Promoting Social Inclusion (ESF) – the 2004 to 2006 allocation for this measure will be transferred to new Measure 3.8
- ◆ Measure 3.5: Increasing the Participation of Women (ESF) some of the unused funds from this measure will be transferred to new Measure 3.8
- ◆ Measure 3.6: Infrastructure for Learning (ERDF)
- ◆ Measure 3.7 New Employment Opportunities (ESF)
- ◆ Measure 3.8 Using Active Labour Market Policies to Promote Social Inclusion (ESF)
- ◆ Measure 3.9 Research and Knowledge (ESF)

## PRIORITY CRITERIA

1. Helping economically inactive people return to the labour market
2. Improving the competitiveness of SMEs by upskilling the workforce
3. Creating a culture of lifelong learning for all sectors of the community
4. Providing the skills needed by SMEs with the potential for growth, with an emphasis on higher-level vocational training and qualifications
5. Providing women with the opportunities to progress into higher levels of employment
6. Securing research and development opportunities within CUC linked to the needs of SMEs

## PRIORITY SELECTION CRITERIA

The ESF selection criteria, against which all project applications in this Priority will be scored, is based on the English Objective 3 Operational Programme and has been approved by the PMC. Applications reaching the 65% minimum quality threshold will then be appraised against the above Priority criteria. Full details of the scoring and selection process is contained in the 'Objective 1 ESF Applications Guidance' which available on the GOSW website or from the Secretariat.

## FINANCIAL ALLOCATIONS

The following table indicates the financial allocation to this Priority.

PRIORITY 3: DEVELOPING PEOPLE - SUMMARY FINANCIAL TABLE (MEUROS)				
	Total Costs	EU	UK Public	Private
ERDF	19,347,000	7,997,000	11,300,000	50,000
ESF	192,036,000	77,247,000	102,285,580	16,226,000
Totals	215,105,580	85,244,000	113,585,580	16,276,000

## Indicative Measure Financial Allocations

PRIORITY 3: DEVELOPING PEOPLE - SUMMARY FINANCIAL TABLE (MEUROS)								
	Total Costs	Total EU	ERDF	ESF	EAGGF	FIFG	UK Public	Private
Measure 1	27,782,609	10,761,609	0	10,761,609	0	0	17,021,000	0

Measure 2	51,023,000	18,971,000	0	18,971,000	0	0	23,930,000	8,122,000
Measure 3	28,690,000	11,066,000	0	11,066,000	0	0	12,746,000	4,878,000
Measure 4	33,305,271	14,056,621	0	14,056,621	0	0	21,248,000	0
Measure 5	10,466,100	4,711,100	0	4,711,100	0	0	5,755,000	0
Measure 6	19,347,000	7,997,000	7,997,000		0	0	11,300,000	50,000
Measure 7	13,705,000	5,239,000	0	5,239,000	0	0	6,450,000	2,016,000
Measure 8	19,111,670	8,411,670	0	8,411,670	0	0	10,700,000	0
Measure 9	9,675,000	4,030,000	0	4,030,000	0	0	4,435,000	1,210,000
<b>Total</b>	<b>211,805,000</b>	<b>85,244,000</b>	<b>7,997,000</b>	<b>77,247,000</b>	<b>0</b>	<b>0</b>	<b>110,285,000</b>	<b>16,276,000</b>

### MEASURE 3.1: ACTIVE LABOUR MARKET POLICIES

The objective of the measure is:

'To improve the employment prospects of unemployed or other economically inactive people, returners to the labour market and young people through the provision of appropriate actions including guidance and support to improve their employability and vocational skills'.

MEASURE 3.1: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ESF	UK Public	Private
2000 – 2003	27,782,609	10,761,000	17,021,000	-

#### Eligible Activities

Activities under this measure will support national active labour market policies. They will enhance and expand national programmes and provide support for additional activities which address the special needs of Cornwall and Scilly. Relevant national policies include Job Seekers Allowance National Traineeships, New Deals, Work Based Training for Adults, Modern Apprenticeships, the National Childcare Strategy.

Support will be available for:

1. The provision of careers information, advice, guidance and support for job-seeking skills;
2. The development of basic and intermediate skills and improving attainment levels among young people and adults;
3. Activities aimed at individuals, to support them in making informed choices and taking up training and employment opportunities.

Additional support will be available to address specific barriers to participation in activities supported under this measure; for example, dependent and childcare costs.

#### Measure Targets 2000 – 2003

MEASURE 3.1: ACTIVE LABOUR MARKETS – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Number of active labour market beneficiaries assisted, of which	4,000
Number of young people, economically inactive for less than 6 months	1,000
Number of adults, economically inactive for less than 12 months	1,500
Number of women beneficiaries	2,000
<b>Results</b>	
Number gaining a positive outcome (on leaving the project or within 6 months, of which	2,800
Number of beneficiaries securing a qualification or units towards one	1,200
Number of beneficiaries securing employment	1,600
Number moving into self-employment	200
<b>Impact</b>	
Number of unemployed in work after ESF support net of deadweight	1,154
All beneficiary details must be disaggregated by gender	

Targets relating to the cross cutting themes must also be addressed and are detailed in the following section of the Programme Complement

The remaining funds from this measure have been transferred to measure 3.8

## MEASURE 3.2: LEARNING FOR COMPETITIVE BUSINESS AND FOR ENTERPRISE – ADAPTABILITY AND ENTREPRENEURSHIP

### Introduction

The more highly skilled and motivated the workforce the more likely businesses are to be competitive. This applies to the existing workforce, who are continually required to respond to the changing needs of employers, and to unemployed individuals who require the necessary skills to enter employment or self-employment. The Measure is therefore focused on improving the adaptability of the workforce and unemployed individuals to meet employer demand at all skills levels.

A competitive economy also requires a culture of entrepreneurship, so that individuals are encouraged to learn and where businesses are helped to innovate thus enabling them to expand and create new employment opportunities. This requires both addressing the deficiencies in entrepreneurial skills, and encouraging small and medium sized firms (SMEs) to engage in training and employee development activity, which is frequently seen as prohibitively time consuming and expensive.

The two themes of adaptability and entrepreneurship are central to the European Employment Strategy where one of the goals is to promote a new approach to work organisation that enables businesses to cope with economic change whilst improving the security of employment and the adaptability of the workforce. In addition, adaptability and entrepreneurship are combined as one of the five policy fields in UK Employment Action Plan. Both themes are also supported by the principles of Lifelong Learning, Measure 3.3.

Both components are essential to Cornwall where there are low skills levels and low levels of innovation resulting in low rates of new business formation. Cornwall has deficiencies in both basic and higher-level skills, including higher-level ICT skills, as well as low levels of entrepreneurial skills.

### Adaptability

Whilst the attainment of vocational qualifications is a prerequisite for success in the future economy, other issues also require attention: Key skills, such as IT and interpersonal communications, will require to be updated in order to keep pace with technological change and the needs of employers. For others, improving core skills such as literacy and numeracy will be crucial in being able to take advantage of employment opportunities which will be created.

As already identified Cornwall and the Isles of Scilly are over-represented in low value added and low wage sectors. Whilst some of these sectors are predicted to grow, a proportion of the jobs created, without significant support, will follow the tradition of being relatively poorly paid and/or part time. While part time jobs are necessary to support a flexible labour market, the priority for the Programme is to create higher value jobs paying wages which are in line with or above national averages. This measure will focus on training, HR, and employment measures to improve the competitiveness of existing sectors.

More than 50% of businesses in Cornwall and the Isles of Scilly have expressed a desire to grow. Skills shortages, however, continue to act as a constraint, both on existing business performance and on future growth potential. Recruitment difficulties also have a knock-on effect on business performance with skills shortages identified as the major difficulty rather than other factors such as the wage offered. Sectors identifying skills shortages include construction, hotels/restaurants, wholesale/retail, real estate/renting. In order to ensure the sustainability of results, and to encourage the social partners to play a more active role, support will also be made available for capacity building of the social partners.

## Entrepreneurship

Long-term factors such as an aversion to risk and an “employee culture” have resulted in low rates of new business formation in Cornwall and the Isles of Scilly. The need to increase awareness of setting up in business as an employment/lifestyle option as well as promote more positive attitudes to entrepreneurship generally have been recognised by economic development agencies in the area. If long-term cultural barriers are to be reversed, however, further efforts are required. Particular emphasis will be given to young people and groups such as women who have traditionally faced even greater barriers in considering self-employment or starting up in business.

Much of the activity to raise awareness and change attitudes will, however, only reap benefits in the longer term by raising the number of potential entrepreneurs. In the short term, there is a need to support those who have suitable business ideas, but lack the necessary skills to fully exploit these ideas. This measure will provide a range of guidance, training and related HR support to assist and enable the entrepreneur to formalise his/her ideas into to a viable business proposal. Support will be provided for self-employment, commercial and community businesses and social enterprises.

Although the gap has been narrowing, self-employment rates amongst women in Cornwall and the Isles of Scilly are significantly lower than men. This has been largely due to the rate for men falling, however, rather than a significant increase in the number of women taking up self-employment or starting up in business. Gender stereotyping, amongst other barriers, has been a key factor in constraining the number of women entrepreneurs. A key aspect of this measure will be specific actions to increase the number of women becoming self employed or starting up in business.

This Measure will complement activity provided under Measure 1.7 and 3.7, where resources will be targeted at identified key sectors with the capacity for growth and creation of higher-level income/employment. This measure will support all other entrepreneurial development outside the sectors supported by Measure 1.7 and 3.7.

### Objectives

The objectives of this measure are:

1. 'To improve the competitiveness of SMEs through development and upskilling of the workforce in established SMEs and the availability of appropriately trained and qualified labour through the provision of skills training linked to known or anticipated labour market needs.'
2. 'To increase the number and quality and improve the durability of new start businesses.'

MEASURE 3.2: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ESF	UK Public	Private
2000 – 2006	51,023,000	18,971,000	23,930,000	8,122,000

### Eligible Activities

Support will be available for:

1. Promotion, advocacy and awareness-raising actions to increase SMEs and individuals' commitment to training, professional development and lifelong learning;
2. Feasibility studies and research projects and labour market assessments; sectorally based anticipation activities, including training needs analyses, benchmarking, company-based skills reviews and HRD planning;
3. Development of new training packages and guidance material, including new methods of delivery;
4. Career advice, information, guidance and counselling to those in employment;

5. Support for capacity building of social partners;
6. Support for the recruitment and training of new employees;
7. Support for the improvement of basic skills and vocational training;
8. Development and enhancement of education/business links, partnerships and other activities aimed specifically at young people;
9. Development of appropriate promotional and entrepreneurship learning materials, including material for use in schools and with young people; provision of grants, allowances and training to support individuals becoming self-employed or starting up in business, including on-going mentoring support;

### Measure Targets 2000 – 2006

MEASURE 3.2: ADAPTABILITY AND ENTREPRENEURSHIP – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Total number of measure beneficiaries	17,500
Of which:	
Number of employees assisted (trained as part of adaptability)	8,500
Number of employees supported	5,000
Number of economically inactive beneficiaries assisted	2,000
Number of economically inactive beneficiaries supported	2,000
Number of managers given enterprise training (subset of employees assisted)	1,000
Number of women beneficiaries	8,750
Number of SMEs assisted	1,450
Number of SMEs supported	600
Number of new start SMEs assisted (subset of total measure beneficiaries)	800
Number of trainers trained (subset of total beneficiaries assisted)	100
Number of research/labour market analysis projects	20
Number of school students supported	1,000
<b>Results</b>	
Number of employees securing a qualification or units towards one	6,750
Number of economically inactive beneficiaries securing a qualification or units towards one	1,600
Number of women securing a qualification or units towards one	1,800
Number of economically inactive beneficiaries securing employment	1,200
Number of women securing employment	1,800
Number of new starts surviving for two years	400
<b>Impact</b>	
Net additional jobs	1,000
Net number of jobs safeguarded by ESF support	375
All beneficiary details must be disaggregated by gender	

Targets relating to the 3 cross cutting themes must also be addressed and are detailed in the following section of the Programme Complement

### MEASURE 3.3: LIFELONG LEARNING

#### Introduction

The rapidly changing labour market and the concept of employability has driven the need for continuous updating of skills and qualifications. The move to a lifelong learning agenda is a direct response to the demands of the increasingly knowledge-based economy and the requirement for skills based solutions to labour market needs.

The GB Community Support Framework states that knowledge has always been important. It identifies four processes increasing in importance for prosperity: science and technological advance (including ICT); global competition (including information transfer); the need for businesses to innovate quickly to

remain at the cutting edge; and changes in demand as incomes rise and attitudes change. All this requires improving the basic employability of the labour force and maintaining that employability over the long-term.

Nationally, and in all regions, the proportion of the workforce holding some form of qualification has increased as the numbers staying in education continue to rise and older persons with no qualifications retire. However, in Restormel, North Cornwall and Kerrier over 30% of the population have no qualifications. Employers also report skills gaps within their workforce particularly in basic skills where the need is greatest in sectors such as retail, manufacturing, hotels/restaurants, community/social/personal services (which accounts for 70% of the workforce on Cornwall and the Isles of Scilly).

Many young people still leave school without formal qualifications, although GCSE attainment is good this drops off in the 6th form. However the numbers of young people not in education, employment or training is lower than the national average. Young people must be encouraged to continuously update their knowledge and skills throughout their adult lives, and the proportion of pupils who leave with no graded qualifications must be encouraged to take up learning. For higher-level skills (NVQ level 4 and above) there is a requirement to ensure that there are sufficient numbers with these level skills to take advantage of current and future employment opportunities.

Cornwall and the Isles of Scilly continues to lag behind national and SW regional averages, despite progress made in improving workforce qualifications. Key skills, such as IT and interpersonal communications, also require to be updated in order to keep pace with technological change and the needs of employers. For some, improving core skills such as literacy and numeracy will be crucial in being able to take advantage of employment opportunities being created, many of which will be suitable for those with basic skills. Lifelong learning encompasses those who are not traditionally switched on to participation in learning activity.

Wherever possible ESF will be used to extend and improve the support available to the individual through national learning initiatives. This element of value added will be a key feature of the Measure.

## Objective

The objective of this measure is:

‘To enable young people and adults to continue to develop their knowledge and skills throughout their lives’

MEASURE 3.3: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ESF	UK Public	Private
2000 – 2006	28,690,000	11,066,000	12,746,000	4,878,000

## Eligible Activities

Activities under this measure will support the national policy of Lifelong Learning and will contribute towards the achievement of the National Learning Targets, providing additional support, where necessary, to address the specific needs of Cornwall and the Isles of Scilly.

Support will be available for:

1. Activities to promote the concepts of lifelong learning to individuals, employers and communities at large, and measures to implement them;
2. Support for research, identification and dissemination of good practice with regard to lifelong learning;
3. Activities to increase the flexibility of learning provision;
4. Support for strengthening the links between educational establishments and employers;

5. Measures to upgrade the skills and educational attainment levels of individuals, in accordance with the changing demands of a knowledge-based economy; and
6. Support for special measures to improve access to and widen the range of higher-level learning opportunities.

Additional support will be available to address specific barriers to participation in activities supported under this measure, for example, dependant and childcare costs.

### Measure Targets 2000 - 2006

MEASURE 3.3: LIFELONG LEARNING – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Total number of measure beneficiaries	14,500
Of which:	
Number of employed beneficiaries assisted	4,500
Number of employed beneficiaries supported	3,000
Number of economically inactive beneficiaries assisted	3,000
Number of economically inactive beneficiaries supported	4,000
Number of young people, economically inactive for less than 6 months (subset of total measure beneficiaries)	1,000
Number of adults, economically inactive for less than 12 months (subset of total measure beneficiaries)	2,500
Number of women beneficiaries	7,250
Number of research/labour market analysis projects	10
Number of trainers assisted (subset of total assisted)	100
Number of capacity building projects	5
<b>Results</b>	
Number of economically inactive beneficiaries securing a qualification or units towards one	4,200
Number of employed beneficiaries securing a qualification or units towards one	3,750
Number of employed beneficiaries securing a higher level (NVQ 3 or above) qualification or units towards one	1,125
Number of women securing a qualification or units towards one	1,500
Number of women securing a higher level (NVQ 3 or above) qualification or units towards one	450
Number of beneficiaries in employment or further study on leaving the project or within 6 months	8,700
<b>Impact</b>	
Net increase in participation in lifelong learning from ESF support	2,000
Contribution of ESF to NTET	+ 2 percentage points
All beneficiary details must be disaggregated by gender	

Targets relating to the 3 cross cutting themes must also be addressed and are detailed in the following section of the Programme Complement

### MEASURE 3.4 PROMOTING SOCIAL INCLUSION

The objective of this measure is:

‘To identify and overcome barriers that exclude individuals from learning and employment opportunities’.

### Indicative Financial Allocations

MEASURE 3.4: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ESF	UK Public	Private
2000 – 2003	35,305,201	14,056,621 <sup>1</sup>	21,248,580	-

<sup>1</sup> A sum of 1 meuro, equivalent to 1% of the ESF Programme allocation will be made available for a local social capital sub-measure implemented via a global grant system as per the Regulations

### Eligible Activities

This measure will provide resources to national schemes relevant to the situation in Cornwall and Scilly as well as to locally designed and managed initiatives. This will include Employment Zones, New Deal For 50 Plus; New Deal for 25+, New Deal for Communities; New Deal For Lone Parents; New Deal For The Disabled; Youth Support Service and specialist support provided by the Employment Service.

Activities eligible for support in this measure will include, inter alia:

1. Feasibility studies and research projects and labour market assessments aimed at identifying constraints and barriers to employment for target groups, and identifying solutions/new actions which could increase employment and participation rates;
2. Intensive support to enable target groups to reach basic skill and employability levels, pre-entry training;
3. Integrated packages to meet the needs of particular groups;
4. Customised training, tailored to the needs and circumstances of the individual, including mentoring, and
5. Capacity building.

Support will also be provided for related activities which remove barriers to excluded groups from taking up opportunities provided by this measure, including support for childcare.

### Measure Targets 2000 – 2003

MEASURE 3.4: PROMOTING SOCIAL INCLUSION – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Total number of measure beneficiaries	7,000
Number of economically inactive beneficiaries assisted with training, of which:	7,000
Number of young people, economically inactive for less than 6 months	1,500
Number of adults, economically inactive for less than 12 months	3,000
Number of women beneficiaries	3,500
Number of trainers assisted (subset of measure total)	100
Number of capacity building projects	25
Number of research projects	10
<b>Results</b>	
Number of beneficiaries achieving a positive outcome (on leaving the project or within 6 months)	2,800
Of which	
Number of beneficiaries from excluded groups securing a qualification or units towards one	2,100
Number of beneficiaries from excluded groups securing employment	2,450
Number moving into self employment on leaving or within 6 months	200
All beneficiary details must be disaggregated by gender	

Targets relating to the cross cutting themes must also be addressed and are detailed in the following section of the Programme Complement

### LOCAL SOCIAL CAPITAL

In line with Article 4.2 of the ESF Regulation (EC) No 1262/99, small grants will be made available to groups with little on no experience of ESF funding. 'Global Grants' will be made available to intermediary bodies to fund small organisations or individuals, in order to achieve one or more

objectives of the programme. Small organisations funded will be given 100% support, with the necessary match funding provided by the intermediary body.

Between 2000 and 2003 some €400,000 of ESF has been made available to intermediary bodies for Global Grant projects. The balance of €600,000 will be made available from Measure 3.8.

The remaining funds from this measure have been transferred into new measure 3.8.

## MEASURE 3.5: INCREASING THE PARTICIPATION OF WOMEN

### Introduction

In spite of the progress made over the past decade, women in the South West continue to lag behind men on a number of labour market indicators. The gender wage gap is substantial, and closing the gap will in part be addressed by ensuring that women have equal access to many of the employment opportunities provided by other Priorities in the Programme. Recent employment trends have not significantly altered the structure of the labour market. Even where females comprise a majority of employees e.g. hotels and restaurants, females often account for a disproportionate share of the low paid jobs, similarly a significantly lower proportion of women are in the higher skilled/higher paid occupations. The development of managerial skills and other 'glass ceiling' issues need to be addressed.

Women continue to make up the vast majority of part time employees, and while this is by choice in the majority of cases, evidence suggests that a number of women would seek full time work if constraints such as childcare were removed. Whilst there are substantial numbers of women undertaking training and education these are mostly at a low level.

### Objectives

The objectives of this measure are:

1. To improve the participation of women in the labour market by providing specialist support to overcome specific gender-related barriers to entry to employment/self-employment and learning opportunities.
2. To reduce vertical and horizontal gender segregation in the labour market through increasing the number of employers adopting active equal opportunities strategies and family-friendly policies.

This measure provides specific monies to projects which contribute to the aim of increasing the participation of women in Cornwall and the Isles of Scilly. The promotion of equal opportunities is also one of three cross cutting priorities, although no monies have been allocated. The detailed implementation of the equal opportunities cross-cutting priority is outlined in the following section.

### Indicative Financial Allocations

MEASURE 3.5 : INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ESF	UK Public	Private
2000 – 2006	10,466,100	4,711,100	5,755,000	-

### Eligible Activities

Activities under this measure will complement the National Childcare Strategy, providing additional support, where necessary, to address the specific needs of Cornwall and the Isles of Scilly.

Support will be available for:

1. Research projects related to barriers to equal opportunities;
2. Provision of career information, advice and guidance aimed at increasing women's participation;
3. Vocational training in sectors and occupations where women are under-represented, especially higher-level training;
4. Special measures to address specific gender-related barriers to access to learning and employment opportunities;
5. Specialist support to employers to develop equal opportunity and family-friendly strategies, policies and practices;
6. Financial incentives to employers to train women in sectors/occupations where they are under-represented, including where appropriate special arrangements for child and dependent care.

**Measure Targets 2000 – 2006**

MEASURE 3.5: INCREASING THE PARTICIPATION OF WOMEN – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Total number of measure beneficiaries (100% women)	2,000
Of which:	
Number of economically inactive women assisted with training to increase participation (2000 – 2003)	1,000
Number of employed women assisted (2004 – 2006)	1,000
Number of SMEs supported	100
Number of research projects	1
<b>Results</b>	
Number of women achieving a positive outcome on leaving the project or within 6 months, of which:	1,600
Number of women securing employment	500
Number securing employment at senior management/professional level (includes those previously unemployed and also those achieving promotion within their employment)	200
Number of women securing a qualification or units towards one	500
Number of women gaining a higher level qualification (NVQ level 3 or above) or units towards one (subset of above)	150
Number starting a business or entering self employment	200
Number trained in occupations where women are under represented	600
Number of mothers with children under 5 securing work or self employment	500

Targets relating to the cross cutting themes must also be addressed and are detailed in the following section of the Programme Complement

**MEASURE 3.6: INFRASTRUCTURE FOR LEARNING**

**Introduction**

This is an ERDF measure which will provide infrastructure support for much of the ESF activity in this Priority, with an emphasis on higher-level skills and vocational training. Priority will be given to facilities which support and complement the development of the Combined Universities in Cornwall. The development and retention of a well-qualified and adaptable workforce in Cornwall and Scilly requires a range of appropriate facilities and services which enable equal access for all. Despite the County possessing three Further Education Colleges as well as a number of vocational training providers, attainment of qualifications in many parts of Cornwall has been significantly below the national average – fewer than 30% of the workforce have attained NVQ3 or equivalent in Penwith and Restormel districts, for example, compared to more than 40% nationally.

Emphasis will be given to facilities which meet the needs of new and emerging sectors and those with the potential for growth as described in measures 1.7 and 3.7. The development of new information and

communications technologies also presents challenges for the County, both in relation to the need to improve IT skills but also utilising the technology to develop new ways of involving individuals and companies in learning e.g. on-line delivery.

The measure will provide scope for both new facilities and enhancement of existing buildings and facilities, where necessary, to enable training and other support to be delivered. Significant potential exists in Cornwall to use existing learning centres, such as schools, to accommodate additional vocational provision such as out-of-hours courses. ERDF will be available for both capital expenditure as well as ongoing revenue expenditure, although projects will be expected to demonstrate, where appropriate, long-term financial viability.

Specialist centres and additional facilities may be part of the Combined Universities in Cornwall project, and this would bring higher-level training facilities to SMEs. This would allow higher-level training, and support for technology transfer and innovation to be provided, linked to sectors or activities where the area has a competitive advantage. These activities will be complementary to the measures within Priority 5.

### Objective

The objective of this measure is:

‘To provide appropriate facilities, infrastructure and support which complements the training and HRD activity in the remainder of Priority 3 ‘.

### Indicative Financial Allocations

MEASURE 3.6 : INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	19,347,000	7,997,000	11,300,000	50,000

### Eligible Activities

Support will be available, inter alia, for:

1. The provision of new and enhanced vocational training facilities, aimed particularly at the needs of the labour market;
2. Enhancement and development of ICT facilities, including associated equipment and materials, for the delivery of IT, multimedia and related training and support;
3. Provision of a managed network and common learning platform and protocol to support training and skills development;
4. Conversion and enhancement of existing buildings and facilities to enable community access to training and guidance, careers advice and employment information;
5. Development of facilities and equipment, including ICT local access infrastructure, which enable the delivery of training and related HR support at locations and times to suit the needs of individuals and SMEs;
6. Provision of facilities for childcare, and care of other dependants, where this facilitates access to training, education or learning opportunities;
7. Provision of infrastructure and facilities, with associated revenue support, to encourage the participation of disadvantaged groups in the labour market.

### Measure Selection Criteria

The measure selection criteria (which will be in addition to Programme and Priority level criteria), including weighting are presented in Annex 2 of the Programme Complement. The criteria are:

1. The extent to which new centres provide facilities not available elsewhere in the Programme area;
2. The extent to which new facilities and premises specifically target sectors identified as a priority in Measure 1.6;
3. The extent to which new facilities are required to contribute to the objectives of the Developing People Priorities and measures.

**Measure Targets**

MEASURE 3.6: INFRASTRUCTURE FOR LEARNING – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
New/up-graded facilities provided	10
<b>Results</b>	
Increased training capacity	350
<b>Impact</b>	
Net additional jobs	35

Targets relating to the cross cutting themes must also be addressed and are detailed in the following section of the Programme Complement

**MEASURE 3.7 NEW EMPLOYMENT OPPORTUNITIES**

**Introduction**

This measure will contribute to the adaptability and entrepreneurship Policy Field and be complementary to other support provided in this Priority.

The Cornish economy is overly dependent on sectors where a significant proportion of employment has, traditionally, been relatively low wage. In order to raise the long-term prosperity of the region there is a need to promote the growth of new sectors which are capable of providing significant numbers of higher paid employment opportunities. This measure will provide support to the development of skills needed for sectors/clusters with the potential for growth, particularly those identified in Measure 1.6 which include life sciences, marine engineering, renewable energies, tourism, food, environment and earth technologies and multi media. In determining other sectors/businesses with the potential for growth, advice should be sought from Business Link who have developed a model for measuring this.

Technological, social and environmental changes are providing opportunities to diversify the economy - the environmental services industry, for example, is identified by the DTI as a very fast growing sector. Cornwall and the Isles of Scilly is well-placed to take advantage of these changes and Measure 1.6 will provide a range of support activities to encourage the growth of businesses in these sectors.

A highly qualified workforce is required to enable these sectors to grow. Many of the employment opportunities created by the new and emerging sectors require higher-level and/or technical skills, there is a need to support further skills development both for existing employees and the potential workforce. A programme of continuing professional development will help to ensure that talented individuals are retained in the area and that the demands of growing businesses are met.

**Objective**

The objective of this measure is:

‘To facilitate the growth and development of SMEs in new and emerging sectors and high growth businesses through appropriate training and HRD-related support’.

## Indicative Financial Allocations

MEASURE 3.7: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ESF	UK Public	Private
2000 – 2006	13,705,000	5,239,000	6,450,000	2,016,000

### Eligible Activities

Support will be available for:

1. Feasibility studies and research projects relating to skill needs and demand for labour;
2. Company-based anticipation activities for new and existing companies in sectors targeted for support (see measure 1.6);\*
3. Provision of skills training and development, particularly but not exclusively aimed at higher-level skills; support for management and business training for supervisors, professionals and managers, for new and existing companies in sectors targeted for support in Measure 1.6;
4. The provision of tailored recruitment and training packages which complement activity under Measure 1.1 and for new and existing companies in sectors targeted for support in Measure 1.6.

\* The target sectors identified in Measure 1.6 are not intended to be exclusive, but any project proposals from outside these sectors will be required to demonstrate their designation as new or high growth businesses, and the value added to the economy. Priority will be given to activities which act in support of agreed sectoral strategies although the development of such strategies are not a mandatory requirement.

### Measure Targets 2004 - 2006

MEASURE 3.7: NEW EMPLOYMENT OPPORTUNITIES KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
Outputs	
Total number of measure beneficiaries	8,600
Of which:	
Number of employees assisted	7,000
Number of employees supported	600
Number of managers given enterprise training (subset of employees assisted)	1,000
Number of economically inactive beneficiaries assisted	1,000
Number of women beneficiaries	3,400
Number of SMEs assisted with training	600
Number of SMEs supported	200
Number of new start SMEs assisted (subset of total beneficiaries)	200
Results	
Number of employees securing a qualification or units towards one	3,800
Number of employees securing a higher level qualification or units towards one	1,140
Number of economically inactive beneficiaries securing a qualification or units towards one	400
Number of economically inactive beneficiaries securing employment	300
Number of women beneficiaries securing a qualification or units towards one	1,360
Number of women beneficiaries securing a higher level qualification or units towards one	408
Number of new business starts still operating after 2 years	100

Targets relating to the cross cutting themes must also be addressed and are detailed in the following section of the Programme Complement

*In the case of SMEs supported, the support is substantive support, where average assistance costs range from £2,000 upwards.*

### MEASURE 3.8: USING ACTIVE LABOUR MARKET POLICIES TO PROMOTE SOCIAL INCLUSION

The move to active labour market policies follows one of the main policy principles of the European Employment Strategy and aims to contribute to its goals of high levels of employment for all groups in

the labour market and the goal to move away from the passive fight against unemployment towards promoting sustained employability and job creation.

Employment rates in Cornwall and the Isles of Scilly, in line with the national trend, have increased and unemployment rates have fallen to the lowest level since 1980. The unemployment rate is on a par with the national rate but economic activity rates are lower than the national average. High levels of economic inactivity is increasingly concentrated in both geographic clusters and amongst specific groups who are disadvantaged in the labour market.

Active labour market policies are based on the recognition that the nature of work has changed and continues to change rapidly and that individuals need to update and improve their skills continuously in order to secure and maintain employment. There is a clear focus on employability to integrate new labour market entrants and the unemployed into the labour force, to which national policies such as New Deal will input. The key areas of assistance provided are guidance, counselling, training, retraining, work experience and job search assistance. The identification and provision of specific support needed to overcome barriers to participation is also included.

For Cornwall and the Isles of Scilly, active labour market policies are necessary to address low levels of employability and to support disadvantaged labour market groups, particularly people of working age on benefits other than Jobseekers Allowance. The region also has significant numbers in excluded groups that are especially disadvantaged in the labour market, groups which are more susceptible to long-term unemployment.

Support in this measure is aimed at two categories of people out of work:

- ◆ Individuals who have recently been made unemployed to prevent them from either entering long-term unemployment or from developing a pattern of seasonal employment (preventative), and
- ◆ People who are at risk of exclusion or facing barriers to integration into the labour market.

Specific emphasis will be placed on enhancing the employability of people who are disadvantaged in the labour market e.g. lone parents, people with disabilities, people lacking basic skills, long term unemployed people, ex offenders, people over 50 and other groups who face specific barriers in obtaining employment.

A further dimension of this measure aims to identify those individuals who are most likely to remain unemployed for some time. This includes people lacking basic skills, long term primary benefit recipients and older workers.

## PROMOTING SOCIAL INCLUSION

One of the principal developments in the labour market of the UK over recent decades has been the increased concentration of disadvantage, either geographically or amongst certain groups in society. The European Employment Strategy makes it clear that one of its over-arching goals is to achieve a high level of employment in the economy and for all groups in the labour market. Similarly policy directives directly take into account the needs of disadvantaged groups, and make explicit that their integration into the labour market is required. Such integration has benefits not only for the individuals themselves, but for the wider economy as a whole as unemployment levels fall and economic inactivity is reduced.

Achieving economic and social inclusion is not straightforward especially as there are many causes. Those faced with the greatest disadvantage in the labour market frequently lack the basic skills required by employers and have limited experience of modern work practices. It is therefore necessary to increase basic skills levels, including improving literacy and numeracy skills, as well as key skills including communications and inter-personal skills.

Disadvantaged groups are those facing multiple barriers to entering the labour market and may include ethnic minorities, people with disabilities, older people, homeless people, refugees, ex-offenders, lone parents and carers, people with mental health problems, people with drug and alcohol problems and

people with basic skills needs. Frequently these groups face additional disadvantages through the discriminatory attitudes of employers, who must be encouraged to overcome these negative attitudes.

The measure aims to address the specific issues involved in securing re-entry to the labour market of the excluded groups. In contrast to many urban areas where these groups are geographically concentrated, the incidence of labour market exclusion is spread across Cornwall and the Isles of Scilly although there are concentrations of worklessness at both ward and post code level.

This Measure will establish a 'Local Social Capital' or 'Global Grant' Fund in line with Article 4(2) of the ESF Regulation, distributed via a global grant mechanism. A minimum of 1% of the total ESF allocation to the Programme (€1million) will be made available. The approach will target under-represented groups, with an emphasis on ease of access for small grants to support local community initiatives. The intention is to develop a system whereby intermediary organisations, which are able to provide the required match funding, make grants available to non-governmental organizations. These intermediary bodies will have to demonstrate a proven track record in working with the target group, they will also need to ensure that the majority (80%) of the funds are spent on the direct grant, with a maximum of 20% of the total project budget being spent on the running costs.

The grants will be made available for the following type of projects:

Those responding to an identified need which cannot be met through mainstream ESF funding;

Development of enterprise and the social economy: individual business start ups; micro-businesses; co-operative ventures; initiatives which seek to develop the wealth of the area for the benefit of the local community;

Projects which seek to restore social cohesion. Socially useful activity could be encouraged to improve the quality of life and of the local environment or to strengthen mutual assistance communities or networks exchanging products and local services.

## LOCAL SOCIAL CAPITAL

In line with Article 4.2 of the ESF Regulation (EC) No 1262/99, small grants will be made available to groups with little on no experience of ESF funding. 'Global Grants' will be made available to intermediary bodies to fund small organisations or individuals, in order to achieve one or more objectives of the programme. Small organisations funded will be given 100% support, with the necessary match funding provided by the intermediary body.

The operational arrangements for the global grant and selection of intermediary bodies will follow the procedures developed for the English Objective 3 Operational Programme. The aim of this Global Grant or Local Social Capital Fund will be to develop the competence of organisations and individuals to access ESF support from the mainstream measures. Targets will be agreed with the Programme secretariat for each global grant project approved.

Between 2000 and 2003 some €400,000 of ESF from Measure 3.4 has been made available to intermediary bodies for Global Grant projects. The balance of €600,000 will be made available from this Measure.

### Target Beneficiaries

1. Emphasis will be given to supporting people within the priority groups mentioned above, plus
2. Young people in danger of exclusion, or who have already become disengaged, including those aged 14 plus who are still in the formal education system i.e. still at school.

### Objective

The objective of the measure is:

'To improve the employment prospects of unemployed or other economically inactive people, returners to the labour market and young people through the provision of appropriate actions including guidance and support to improve their employability and vocational skills'.

'To identify and overcome barriers that exclude individuals from learning and employment opportunities and to assist their progression to the labour market'.

**Indicative Financial Allocations**

MEASURE 3.8: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ESF	UK Public	Private
2000 – 2006	19,111,670	8,411,670	10,700,000	-

**Eligible Activities**

Support will be available for:

1. The provision of careers information, advice, guidance and support for job-seeking skills;
2. The development of basic and intermediate skills and improving attainment levels among young people and adults;
3. Activities aimed at individuals, to support them in making informed choices and taking up training and employment opportunities.
4. Feasibility studies and research projects and labour market assessments aimed at identifying constraints and barriers to employment for target groups, and identifying solutions/new actions which could increase employment and participation rates;
5. Intensive support to enable target groups to reach basic skill and employability levels, pre-entry training;
6. Integrated packages to identify and meet the needs of people with specific barriers to employment;
7. Customised training, tailored to the needs and circumstances of the individual, including mentoring, and motivational training as well as vocational training;
8. Capacity building.

**Measure Targets 2004 - 2006**

MEASURE 3.8: ACTIVE LABOUR MARKETS TO PROMOTE SOCIAL INCLUSION – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Total number of measure beneficiaries	6,500
Number of economically inactive beneficiaries assisted	5,800
Number of economically inactive beneficiaries supported	1,000
Of which:	
Number of young people, economically inactive for less than 6 months	1,800
Number of adults, economically inactive for less than 12 months	3,000
Number of women beneficiaries	3,400
Number of trainers assisted (subset of beneficiaries assisted)	100
Number of capacity building projects	15
Number of research projects	5
<b>Results</b>	
Number of beneficiaries achieving a positive outcome (on leaving the project or within 6 months)	4,080
Of which:	
Number of economically inactive beneficiaries securing a qualification or units towards one	2,720
Number of women beneficiaries securing a qualification or units towards one	1,360
Number of economically inactive beneficiaries securing employment	2,040
Number of women beneficiaries securing employment	1,360
Number moving into self employment	200
All beneficiary details must be disaggregated by gender	

Targets relating to the cross cutting themes must also be addressed and are detailed in the following section of the Programme Complement

**MEASURE 3.9 RESEARCH AND KNOWLEDGE**

**Introduction**

The growth of intellectual capital intrinsically requires development of the human resource as well as personal development. This measure is designed to support individuals in the pursuit of increased knowledge that can be of economic benefit to the region. The strengths of Cornwall and the Isles of Scilly are such that opportunities exist to develop a greater understanding and level of intelligence concerning its characteristics. These may cover climatic and environmental features or they may build on existing expertise in earth sciences and the applied arts.

It is essential to link forecast embryonic businesses that require R&D to CUC. Research groups in alternative energy, coastal zone management, aquaculture, climatic change, life style research can provide the intellectual subsidy needed to ensure these new business sectors get off the ground. Linking new centres of expertise with a commitment to advise SMEs will support new, higher value growth sectors. Businesses in Cornwall need access to a regional economic model that includes environmental forces including climatic change.

The collective activity will add value to previous, as well as proposed, CUC capital investment and provide an innovative, intellectual facet to regional distinctiveness. Efforts will be made to link the activities under this measure to the research and development needs of the SME base.

**Objective**

To assist individuals and organisations in the development of intellectual capital

MEASURE 3.9: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ESF	UK Public	Private
2000 – 2006	9,675,000	4,030,000	4,435,000	1,210,000

**Eligible activities**

This measure will provide resources to support initiatives which clearly capitalise and further develop the intellectual capital of Cornwall and the Isles of Scilly.

1. Research and development grants;
2. Support for training in research linked to the development of intellectual capital;
3. Support for post-graduate and post-doctoral research linked to areas of acknowledged expertise;
4. Support for higher-level training linked to commercial research in areas of acknowledged expertise;
5. Support for exchange visits and trans-national co-operation linked to appropriate post-graduate, post-doctoral and commercial research and development;
6. Support for visiting experts (on short and medium term basis) to help develop intellectual capital in the region.

**Target Beneficiaries**

Activities supported under this measure must provide benefits to SMEs in Cornwall and the Isles of Scilly, although this may be indirect in some cases.

**Measure Targets 2004 – 2006**

MEASURE 3.9: KNOWLEDGE-DRIVEN REGION – KEY OUTPUTS, RESULTS AND IMPACTS BY 2010	
Indicator	Target
Outputs	
Number of SMEs assisted	50
Number of graduates assisted	15
Number of research projects funded	60
Results	
Number of spin off businesses created	10
No of graduates securing employment	12
<sup>1</sup> All jobs are Full Time Equivalents (FTEs) All beneficiary details must be disaggregated by gender	

Targets relating to the cross cutting themes must also be addressed and are detailed in the following section of the Programme Complement

## **PRIORITY 4: COMMUNITY ECONOMIC DEVELOPMENT AND RURAL SECTORAL ADJUSTMENT**

### **PRIORITY INTRODUCTION**

Cornwall and the Isles of Scilly have a number of different types of communities. These include coastal and island communities reliant to a large extent on fishing and tourism, smaller rural settlements reliant on agriculture and tourism, and a number of major settlements which include concentrations of economic inactivity. The structural adjustment in agriculture and fishing is having a profound effect on many communities, but particularly those outside of the major towns. The major towns have gradually built alternative employment bases often centred on a combination of manufacturing, commercial and other services. The smaller towns and villages remain dependent in part on agriculture and fisheries employment, and the considerable secondary industries which primary production supports.

There is a need to develop support which assists agriculture and fisheries enterprises to adapt to new economic conditions, with an emphasis on competitiveness and adding value to local produce. In order to develop sustainable communities, these activities have to be accompanied by efforts geared to the strengthening of the local economy including diversification into new opportunities. This dual approach recognises both the continuing importance of employment in the primary industries and associated enterprises, along with the need to strengthen and broaden the employment base in local economies.

Cornwall has a number of areas where economic inactivity and the resultant social deprivation are persistently high, even though these characteristics in the UK are more typically an urban phenomenon. This economic inactivity is due in part to the decline of a number of former industrial sectors in which some of these communities have their roots. The creation of new economic opportunities by the Programme will be of limited benefit to the economically inactive in these areas unless pro-active support is provided to address barriers and constraints to full engagement with the economy. Concentrated support through the targeting of areas with the highest levels of the economically inactive is necessary to reverse the long-term decline of these local economies. This Community Economic Development (CED) and Area Based Pathways to Employment intervention will be an additional level of activity over and above that which is funded from the rest of the Programme.

In 1998 over 15,000 people were directly employed in some capacity in agriculture. This total is only slightly lower than the numbers employed in manufacturing, although there is a high incidence of part-time and seasonal employment in agriculture. Agriculture is still important to many of the smaller communities within the region. As such, the economic wellbeing of the rural communities is inextricably linked to the ability of the agricultural sector to adapt to the rapidly changing market conditions resulting, in part, from public policy shifts at European Community and national levels, domestic market demands and world trade development.

Numbers employed in agriculture are declining and those settlements traditionally dependent on agricultural employment will have to identify and develop new opportunities, both as communities and as individuals. There is a need to provide complementary support for agricultural diversification, to ensure that the economic base of rural communities can restructure and diversify taking account of new developments such as ICT opportunities. This may involve investments in the physical infrastructure of smaller towns and villages, and in the development of new opportunities to maintain and extend income. Adaptation will need to include an emphasis on competitiveness and adding value to local produce, whilst also taking advantage of any opportunities flowing from the environment and heritage of the region. This approach recognises both the continuing importance of employment in the primary industries and associated enterprises, along with the need to strengthen and broaden the employment base in local economies.

A similar situation applies to fishing, where the fleet has over 500 boats in operation with over 1,000 people directly employed. The industry has to operate within the framework of the Common Fisheries Policy, and this involves a degree of modernisation and rationalisation. Every opportunity will be taken to increase the value added from fishing. Coastal communities will have to develop other opportunities to secure long-term viability, and this is likely to be linked to their maritime heritage. Support will be

provided directly to the fishing industry, and also to the businesses and wider community of coastal towns and villages to develop alternative employment and income generating activities.

## PRIORITY OBJECTIVE

The strategic objective of the Priority is:

The regeneration of rural and Island communities through

- improving competitiveness and developing new opportunities; together with
- addressing barriers caused by concentrations of high levels of economic inactivity through the provision of targeted supported.

The measures developed to realise the strategic aim and objective are:

Measure 4.1 – Community Economic Development (ERDF)

Measure 4.2 – Area Pathways to Employment (ESF)

Measure 4.3 – Investment in Agricultural Holdings (EAGGF)

Measure 4.4 – Training (EAGGF)

Measure 4.5 – Forestry (EAGGF)

Measure 4.6 – Promoting the Adaptation and Development of Rural Areas (EAGGF)

Measure 4.7 – Structural Adjustment in Fisheries (FIFG)

Measure 4.8 – Community Regeneration (ERDF)

Measure 4.9 – Processing and Marketing of Agricultural Products (EAGGF)

## PRIORITY SELECTION CRITERIA

### ERDF

The Priority Criteria are used to obtain a score for each project (see Chapter 2). In order to effectively select projects ERDF will use the final project “score” as one of a number of criteria in recommending which projects should be supported. This will allow the appraisal system to be used as a guide to the suitability of a project, with other factors determining the final recommendations. It will also allow the members of Priority Management Groups to bring their practical experience to bear.

#### Contribution to Priority Criteria

1. Increase community capacity
2. Develop community led regeneration strategies
3. Develop new employment opportunities for local people
4. Support the economically inactive to secure employment

#### Contribution to Additional Benefits

1. Attract new investment to targeted areas
2. Increase the quality of community facilities or services
3. Remove or address a significant infrastructure/service constraints

### EAGGF

The Priority Criteria are used in the same way as those for ERDF.

#### Contribution to Priority Criteria

1. Supports the integrated approach to building sustainable rural development.
2. Contributes to regional distinctiveness

3. Develops employment opportunities for local people
4. Improves the competitiveness of primary industries.

#### Contribution to Additional Benefits

1. Provide wholly new service or facility in response to demand
2. Secure significant increases in the quality/effectiveness of facilities or activity
3. Provide support to high priority target groups/areas

#### FINANCIAL ALLOCATIONS

PRIORITY 4: COMMUNITY ECONOMIC DEVELOPMENT & RURAL STRUCTURAL ADJUSTMENT				
	Total Costs	EU	UK Public	Private
ERDF	70,749,000	29,164,000	29,185,000	12,400,000
ESF	15,997,000	7,997,000	8,000,000	0
EAGGF	155,113,440	54,283,000	54,302,000	46,528,440
FIFG	33,749,000	16,060,000	4,689,000	13,000,000
Totals	275,608,440	107,504,000	96,176,000	71,928,440

#### Indicative Measure Financial Allocations

PRIORITY 4: COMMUNITY ECONOMIC DEVELOPMENT & RURAL STRUCTURAL ADJUSTMENT								
	Total Costs	Total EU	ERDF	ESF	EAGGF	FIFG	UK Public	Private
Measure 1	15,263,000	7,428,000	7,428,000	0	0	0	7,435,000	400,000
Measure 2	15,997,000	7,997,000		7,997,000	0	0	8,000,000	0
Measure 3	6,941,170	2,659,703		0	2,659,703	0	2,661,703	1,619,764
Measure 4	17,044,612	6,530,175		0	6,530,175	0	6,530,175	3,984,262
Measure 5	12,340,000	4,728,000		0	4,728,000	0	4,732,000	2,880,000
Measure 6	91,748,548	34,957,900		0	34,957,900	0	34,967,900	21,822,748
Measure 7	33,749,000	16,060,000		0	0	16,060,000	4,689,000	13,000,000
Measure 8	55,486,000	20,681,000	21,736,000	0	0	0	21,750,000	12,000,000
Measure 9	27,039,000	5,407,222			5,407,222	0	5,410,222	16,221,666
Total	275,608,440	107,504,000	29,164,000	7,997,000	54,283,000	16,060,000	96,176,000	71,928,440

#### Targeted Wards

Cornwall has a number of areas where economic inactivity and the resultant social deprivation is particularly high. In such areas it is important to make concentrated and pro-active support available to address the barriers that exclude people of working age from the labour market. Given the scale of economic inactivity this targeted support is additional to other forms of intervention available through the Programme. The target beneficiaries for support under Measures 4.1 and 4.2 are those economically inactive residents of the wards with the highest numbers of economically inactive.

Recent changes on the labour market have seen a reduction (by c70%) in the number of people registered as unemployed i.e. claiming Job Seekers Allowance. However, this does not reflect the full extent of joblessness – the full scope of economic inactivity that can be addressed by the Programme is realised only when full consideration is given to people of working age claiming a range of key benefits, including incapacity benefit, income support as well as job seekers allowance. In May 2003 some 5,600 people were registered as unemployed while c.37,700 were economically inactive using the wider definition.

Wards covering 20% of the resident population with the highest levels of benefit claimants of working age – some c7% of the population - will be targeted for support through Community Economic

Development (CED) and Area Based Pathways to Employment intervention. Targeting intervention on this basis – absolute numbers of economically inactive and their dependants – enables a more focused approach than was possible using the original SPD method of applying a range of indices of deprivation. This more focused approach enables a greater number of wards to be targeted without diluting the effects of the targeting.

The targeted wards eligible for support under Measures 4.1 and 4.2 are Bodmin St Mary's, Bodmin St Petroc, Camborne North, Camborne South, Camborne West, Gannel, Illogan North, Illogan South, Launceston, Mount Charles, Penryn, Penwerris, Penzance Promenade, Penzance South, Redruth North, Redruth South, Rock, St Blaise. Transitional arrangements will apply to previously targeted areas which are no longer eligible for CED support. This will be time limited - full applications with matched funding confirmed must be submitted before the end of September 2005 with the total amount available for all projects not exceeding 5% of the total CED budget per measure.

The concentrated support is necessary to assist the entry of the economically inactive of the targeted areas into the labour market, promoting greater levels of economic activity, and reversing the long-term decline of these local economies. This targeted support will be based on an integrated multi-agency approach with co-operation and collaboration between organisations and agencies being encouraged. A key partner of this multi-agency approach will be Jobcentre Plus through their co-financing of Measure 4.2 activity.

Activity supported under Measures 4.1 and 4.2 should be focussed on the economically inactive of the targeted wards and should complement and/or be additional to the mainstream provision. Particular attention will be given to activity which fills the gaps in existing activity and that which is designed to support those most remote from the labour market.

The target beneficiaries for Measures 4.1 and 4.2 will be the economically inactive residents of the targeted wards.

#### **MEASURE 4.1: COMMUNITY ECONOMIC DEVELOPMENT – TARGETED WARDS (ERDF)**

##### **Measure Introduction**

This Measure will concentrate on efforts to increase employability and employment for the economically inactive residents of the targeted areas. Given the severity of problems this will involve a wide range of actions including the provision of facilities and services that remove barriers to engagement in the mainstream economy. Activity supported through the Measure should be local and of an appropriate scale in nature. CED expenditure within these communities is additional to activity which can be funded from the rest of the Programme. This Measure will include a range of activities including the development of the social economy and the provision of services and facilities that enable the removal of barriers to and actively promote engagement in the mainstream economy.

This Measure should be delivered in conjunction with the ESF support available through Measure 4.2, including the support available through co-financing. It is inevitable that in some instances the benefits from Measure 4.1 will go slightly beyond the targeted ward boundary thereby resulting in some leakage of benefit outside the designated area. In these instances it is important that an assessment can be made of the areas into which the leakage will spread and the extent of the leakage that is likely to occur.

##### **Objective**

The Objective of this Measure is:

**'To provide employment and income-generating opportunities for those communities where deprivation is geographically concentrated'.**

## Measure Financial Allocations

MEASURE 4.1: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	15,263,000	7,428,000	7,435,000	400,000

### Eligible activities

This is a capital and revenue Measure.

Revenue support will be available for:

1. Feasibility and research studies into the problems and solutions for designated areas and the development of implementation/action plans;
2. Support for amateurs and other support staff necessary to help undertake community regeneration activities;
3. Support for childcare and transport services where the lack of these act as a barrier to people accessing training and employment opportunities;
4. Support for increased access to ICT and the development of related skills;
5. Operating costs associated with the provision of services provided through and from ERDF supported facilities;
6. Specialist support for community enterprises and social economy enterprises, including amateurs and mentors, grants and loans, and relevant business advice and guidance;
7. Revenue costs associated with the management and provision of services providing an integrated approach to health, education, social services, crime prevention and community development.

Capital support will be available for:

1. Support for the development of the public transport system or community-based mobility solutions to link residents of target areas to centres of employment and learning where the market will not provide appropriate services;
2. The provision of community facilities for the delivery of advisory, guidance, training, employment and enterprise services;
3. The improvement of key sites/centres within targeted settlements, where environmental and other improvements are clearly linked to a regeneration plan; and
4. Support for facilities providing an integrated approach to health, education, social services, crime prevention and community development.

### Measure Selection Criteria

1. The actions under this Measure are additional to mainstream activity;
2. The extent to which resources are concentrated on the economically inactive sections of eligible areas;
3. Evidence of functional links being made with the delivery agencies working in the targeted wards;
4. The likelihood of support securing employment for residents of the target area, or moving individuals closer to a return to the labour market;
5. Links with Measure 4.2 activity being made, in particular with the co-financing activity of Jobcentre Plus.

## Measure Targets

MEASURE 4.1: COMMUNITY ECONOMIC DEVELOPMENT (ERDF) – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Feasibility Studies undertaken	1
Number of community groups supported	50
Number of community enterprises established	3
Learning centres (entry level) improved/established	5
Number of community facilities provided/improved (non learning)	5
Environmental improvements undertaken	2
Number of transport initiatives supported	2
<b>Results</b>	
Number of residents benefitting from support	3,000
Gross Direct Jobs Safeguarded <sup>1</sup>	72
Gross Direct Jobs Created <sup>1</sup>	41
Gross Sales Safeguarded	£3.41m
Gross Additional Sales	£1.58m
<b>Impact</b>	
Net Additional Jobs Safeguarded <sup>1</sup>	31
Net Additional Jobs Created <sup>1</sup>	14
Net Additional GDP Safeguarded	£0.7m
Net Additional GDP Created	£0.33m
Number of residents securing employment	500
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	

Please find the targets relating to the 3 cross cutting themes in the following section of the programme complement

## MEASURE 4.2: AREA BASED PATHWAYS TO EMPLOYMENT (ESF)

### Measure Introduction

Previous Programme experience has highlighted the key role played by ESF in providing support for those who are furthest from the labour market. The activities enabled under this Measure provide support for some of the most disadvantaged groups to access training and employment opportunities. A key feature of this measure is the spatial concentrations of disadvantaged groups, characterised by high levels of economic inactivity and deprivation.

This Measure will provide support to those in the targeted wards who are most remote from the labour market. This support will provide a Pathway geared to the needs of the individual, and recognising that in many cases, several periods of help may be required to secure employment. The Measure will focus on helping people make progress towards re-entering the workforce.

The Measure which is complementary to support under Priority 3 Developing People, is focused on addressing the problems of social exclusion and will make specific contributions to equal opportunities and to lifelong learning.

### Objective

The objective of this measure is:

‘To facilitate the re-entry to the labour market of those out of work in targeted areas through integrated and locally based regeneration plans’.

### Measure Financial Allocations

MEASURE 4.2: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ESF	UK Public	Private
2000 - 2006	15,997,000	7,997,000	8,000,000	-

### Eligible Activities

This Measure will provide revenue support. Support will be available for:

1. Capacity building for social partners, community and voluntary organisations, and those involved in the social economy;
2. Feasibility studies and research projects;
3. Provision of careers information, advice, guidance for residents;
4. Development of training materials and new methods of delivery, for example, on-line, for the benefit of local residents;
5. Development of key transferable skills, for example, literacy, numeracy, ICT;
6. Vocational training/reskilling including work-related experience and mentoring; particularly, but not exclusively for social enterprise/co-operative development for disadvantaged groups;
7. Work with young people, including school students in order to secure a good start to working life for all.

### Measure Selection Criteria

The ESF selection criteria, against which project applications will be scored, is based on the English Objective 3 Operation Programme and has been approved by the PMC. Full details are available in the Objective 1 ESF Applications Guidance.

### Measure Targets

MEASURE 4.2: AREA BASED PATHWAYS TO EMPLOYMENT – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Total number of measure beneficiaries	4,000
Of which:	
Number of economically inactive people assisted	2,000
Number of economically inactive people supported	2,000
Number of women beneficiaries assisted or supported	2,000
Number of young people, economically inactive for less than 6 months, assisted or supported	200
Number of adults, economically inactive for less than 12 months, assisted or supported	1,000
Number of trainers assisted	80
Number of capacity building projects	56
<b>Results</b>	
Number of economically inactive beneficiaries securing a positive outcome, on leaving the project or within 6 months	1,200
Of which:	
Number securing a vocational qualification or units towards one	600
Number securing employment	600
Number moving into self employment or starting a business	80

Please find the targets relating to the 3 cross cutting themes in the following section of the programme complement

## MEASURE 4.3 INVESTMENT IN AGRICULTURAL HOLDINGS

### Measure Introduction

The growing of energy crops, in substitution for fossil fuels, has the potential to make a significant contribution to reductions in one of the greenhouse gasses (carbon dioxide) which drive climate change. Following the Kyoto climate change conference, the EU agreed to legally binding reductions in greenhouse gases of 8%. The UK subsequently agreed to reductions of 12.5% which must now be delivered. The UK is also working towards a target of generating 10% of electricity from renewable sources. This Measure will support the establishment of Miscanthus as an energy crop (and to provide fibre for other purposes) in order to contribute to renewable energy targets and to provide new opportunities for farmers.

There is potential for farmers in Cornwall and the Isles of Scilly to benefit from other niche, novel and non-food crops and livestock which are suited to conditions in the far south west. Evidence is emerging of increasing market demand (e.g. for unusual food products for high quality restaurants). This Measure will help farmers to diversify into such new enterprises.

CAP reform, world trade negotiations and other economic pressures make it essential that farm businesses become more efficient and market orientated if they are to survive. These trends are fully reflected in recent strategies, in particular the government's Strategy for Sustainable Farming and Food. This Measure will provide targeted assistance for investments on holdings which address key themes in that strategy and which will help agriculture in the region remain competitive. The inclusion of this support also recognises the disadvantages suffered by most farms in Cornwall and the Isles of Scilly as a result of geographical location (especially remoteness from major markets and suppliers).

Farmers owning or renting eligible and viable agricultural holdings will be target beneficiaries. However, groups of farmers and processors will be encouraged to collaborate, with the aim of setting up producer groups and achieving integration in the supply chain.

### Links to the Rural Development Regulation (EC) No. 1257/1999 (RDR)

Activities in this measure are covered by Chapter 1 (Articles 4 – 7) of Council Regulation 1257/1999.

### Objective

The objective of this measure is:

**'To achieve economic and environmental benefits through diversification within agriculture, and through other, strategic on-farm investments'**

### Indicative Financial Allocations

MEASURE 4.3: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	EAGGF	UK Public	Private
2000 – 2006	6,941,170	2,659,703	2,661,703	1,619,764

### Eligible activities

Projects must contribute to one or more of the objectives of Article 4 of the Rural Development Regulation (1257/1999 – RDR):

- to reduce production costs,

- to improve and redeploy production,
- to increase quality,
- to preserve and improve the natural environment, hygiene conditions and animal welfare activities,
- to promote the diversification of farm activities.

Support will be available for:

1. On-farm investment in Miscanthus as an energy crop or for other uses; and in other niche, novel and non-food crops. This will include feasibility studies, field trials and demonstrations (unless funded under Measure 4.4), commercial establishment costs (for Miscanthus only, although other long term perennial, novel crops will be considered), harvesting equipment and on-farm processing and energy production (unless eligible under Measure 4.9, or as farm diversification or infrastructure investment under Measure 4.6. Applicants should seek advice from GOSW on which Measure is appropriate).
2. On-farm investment in niche or novel livestock enterprises (e.g. buildings and fixed equipment, and breeding stock to form the nucleus of new herds or flocks).
3. Other on-farm investments which pursue one or more of the RDRReg Article 4 objectives (listed above), and which also address at least one of the following themes within HM Government's Strategy for Sustainable Farming and Food:-
  - a). co-operation and collaboration (by demonstrating and encouraging new ways of collaborative working),
  - b). innovation (e.g. new technology in production or management).

NB. Projects will be encouraged and selected from each of the farming sectors. Projects which may have a negative effect on businesses in Devon or beyond are unlikely to be supported. Before developing projects, applicants are strongly advised to consult GOSW.

Notes:

- Planting of short rotation coppice (SRC, e.g. willow) on non-agricultural land will be supported by Measure 4.5. Planting of SRC on agricultural land will be supported by the nationally implemented Energy Crops Scheme.
- The provision of professional facilitation for project development can be supported by Measure 4.6.

#### Additional eligibility guidance

1. a). In the case of all applications to this Measure, grant will only be approved for agricultural holdings:-
  - the economic viability of which has been demonstrated,
  - which provide an adequate business plan demonstrating future viability and how the proposed investment will contribute to the objectives of RDRReg Article 4,
  - which comply with minimum standards regarding the environment, hygiene, and animal welfare,
  - where the farmer possesses adequate occupational skill and competence, and
  - which have demonstrated the existence of a market for any increase in production (e.g. a letter of intent from, or contract with, the person who is making a commitment to buy the crop (i.e. the end user); or are able to show that they already have access to, or have planning permission to install, a processing or heating/power plant to add value to the crop; or are able to show that they are proposing to establish an approved area for trial or demonstration purposes).
- b). In the case of applications to plant Miscanthus, the minimum area per application is 3 hectares.

2. Niche or novel crops and livestock are defined as:

- a). Crops and livestock types which do not currently feature in the region (i.e. Cornwall and the Isles of Scilly), or,
- b). those which are not produced on a commercial scale in the region and for which there is an unsatisfied demand from processors or other buyers, or,
- c). products produced for an end use which is radically different from what might be considered the 'usual' end uses.

3. Environment.

- a). Planting of Miscanthus and other novel and non-food crops will normally only be supported on arable land and temporary (or improved) improved grassland which is registered under the Integrated Administration and Control System (IACS), or any successor system provided there will be no significant adverse effect on the environment. However, permanent pasture will also be eligible so long as the Environmental Impact Assessment regulations have been complied with and DEFRA/RPA consent to plough has been obtained. Planting will not be permitted in areas designated as environmentally sensitive (e.g. ESAs and SSSIs).
- b). There may be some circumstances other than the ploughing of permanent pasture when an environmental assessment will be required. (Applicants should contact GOSW for further guidance).

Grant rates

- a). The RDR makes provision, in Article 7, for total grant payments up to a maximum of 40% (50% in Less Favoured Areas); or in the case of young farmers (less than 40 years old) within the first five years of setting up, 45% (55% in LFA's). All these figures include equal proportions of EAGGF and matching UK public funding.
- b). In line with the Energy Crops Scheme, the rate of grant for establishment of Miscanthus will be £920 per hectare (i.e. this will be the total grant paid, made up of £460/ha EAGGF and £460/ha Defra funding). This figure is based on average costs of establishment and will be reviewed from time to time and may change as costs change.
- c). EC Regulation 1750/1999 (Annex, section 3(B)) requires a maximum level to be set for the total investment eligible for support on any individual holding. In the case of Miscanthus, the ceiling on investment (total eligible cost) will be £100,000 per applicant and holding.
- d). For all other Measure 4.3 investments, the ceiling will be £5m total eligible cost.

Measure Selection Criteria

The measure selection criteria form part of the project appraisal and scoring criteria adopted by the Secretariat and partners, and are as follows:-

- i. The extent to which the producers of primary products will share in the resulting economic benefits.
- ii. The extent of other, wider benefits.
- iii. The strength of the identified market(s) for the resulting products.
- iv. The extent to which the project will lead to an increase in quality of what is produced for the market.
- v. The extent to which professional advice/support is incorporated within the proposal.

Measure Targets

MEASURE 4.3: ENERGY CROPS – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
Outputs	
Number of agricultural enterprises assisted	84
Additional area of Miscanthus established (hectares)	1,178

Additional tonnage (odt) of Miscanthus produced per annum	14,135
Number of strategic investments	17
Number of niche/novel livestock enterprises assisted	17
<b>Results</b>	
Gross Direct Jobs Safeguarded	135
Gross Direct Jobs Created	17
Gross Additional Sales	£530,058
<b>Impact</b>	
Net Additional Jobs Safeguarded	67
Net Additional Jobs Created	8
Net Additional GDP Created	£58,895

Please find the targets relating to the 3 cross cutting themes in the following section of the programme complement

## MEASURE 4.4 TRAINING

### Measure Introduction

Farmers and foresters are being encouraged to diversify, to improve efficiency, to respond to market demands including quality standards, and to manage and enhance the environment. Improved and broadened skills are essential to the process of re-structuring, and improving competitiveness.

Vocational training will help lay the foundations for the re-orientation of businesses and activities, and will help the effective delivery of the other EAGGF Measures. It is also a key activity for the fulfilment of the cross-cutting themes - equal opportunities, ICT and environment. Women play an important role in the industry. Although conducted in S Devon and Dartmoor, a study based on interviews with 30 women, funded by LEADER II, ("Women in Agriculture: development needs and opportunities", March 1999) is equally applicable to Cornwall and the Isles of Scilly. Experience gained from the Cream of Cornwall farm holiday group certainly supports the study's findings.

ICT is becoming essential for the efficient management of farm and related businesses, and to meet market demands (e.g. traceability of products). The role of farmers as custodians of the countryside, in its widest sense, is well recognised, as is the importance of the countryside to the Region's economy. Training is needed to enable those involved in agricultural and forestry activities to conserve and enhance the environment and to build economic links based on sustainable development. Training delivered by this Measure will also support activities funded by agri-environment and forestry schemes under the accompanying measures of the RD Regulation (e.g. Articles 22 and 31).

Target beneficiaries will include farmers, foresters, their employees and contractors directly involved in agricultural and forestry activities, together with instructors, training providers and assessors involved with the preparation, organisation and delivery of eligible training.

### Links to the Rural Development Regulation (EC) no. 1257/1999 (RDR)

Activities in this Measure are covered by Chapter III (Article 9) of Council Regulation 1257/1999.

### Objective

The objective of this measure is:

'To facilitate re-structuring and sustainable, competitive development in agriculture and forestry by developing vocational and management skills including those concerning ICT'.

### Indicative Financial Allocations

MEASURE 4.4 : INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	EAGGF	UK Public	Private
2000 – 2006	17,044,612	6,530,175	6,530,175	3,984,262

## Eligible Activities

Support will be available for:-

Vocational training for farmers and others directly involved in agricultural and forestry activities to improve their capacity and competence in:

1. The restructuring and diversification of businesses;
2. Conservation, maintenance and enhancement of the environment, animal welfare and hygiene standards;
3. Farm business management and planning, marketing and customer care;
4. ICT skills;
5. The application of forest management practices to improve the economic, ecological or social functions of forests;
6. Traditional crafts;
7. Innovation; Initiative, leadership and facilitation skills;
8. Skills related to the food chain and related processing activities, but not extending to training employees in non-farm processing facilities;
9. Targeted assistance for women in agriculture, to further enhance their role in the industry and rural communities (e.g. developing entrepreneurial and ICT skills).

Examples of eligible actions include:-

- vocational training delivered in the workplace
- short training courses delivered away from the workplace
- provision of practical experience (where not otherwise provided) for people undertaking or completing formal education to enhance employability
- workshops or other briefing forums
- demonstration farm activities, technology/knowledge transfer, and related investments, study tours.
- farm business risk analysis
- training needs assessment
- development and maintenance of training materials
- development and maintenance of training facilities
- trainee assessment and testing processes
- provision of instructors
- management and quality control of delivery mechanisms
- provision of farm relief to facilitate training

Note: The provision of professional facilitation for project development can be supported by Measure 4.6.

## Additional eligibility guidance

1. Full-time courses of education and training provided through secondary schools, Further Education Colleges and Higher Education Establishments are not eligible.
2. Training activities in receipt of aid under Objective 3 are not eligible for aid under this Measure.
3. To be eligible for funding, training must demonstrate additionality. This will be a key consideration when appraising courses designed to meet basic statutory requirements (e.g. food hygiene, basic chainsaw skills for contractors). Applicants considering setting up such forms of training are advised to seek further advice from GOSW.

## Grant rates

Most training is expected to give trainees or their employers an economic benefit. In such circumstances, total grant will normally be 75% (37.5% EAGGF, 37.5% UK public). However, there will be other circumstances which justify total grant of 100% (50% EAGGF, 50% UK public), for example some environmental and conservation training, and other training with minimal commercial benefit (e.g. courses with social aims).

## Measure Selection Criteria

The measure selection criteria form part of the project appraisal and scoring criteria adopted by the Secretariat and partners, and are as follows:-

- i. The provision of substantive support, clearly able to generate significant benefits for the beneficiary
- ii. The extent to which support is directly channelled to the enterprise/ individual
- iii. The extent to which the project will assist competitive development and re-structuring by broadening and improving skills
- iv. The inclusion of on-going end-beneficiary support
- v. The extent to which training includes ICT related skills, and/or makes use of ICT for delivery of training

## Measure Targets

MEASURE 4.4: TRAINING – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
Outputs	
Number of agricultural and other rural enterprises assisted	2,070
Number of people trained	5,174
Results	
Number of beneficiaries gaining a qualification	1,863
Number of women enhancing their role in the industry through training	1,252

Please find the targets relating to the 3 cross cutting themes in the following section of the programme complement

## MEASURE 4.5 FORESTRY

### Measure Introduction

The region has one of the lowest levels of woodland cover in England (all forestry and woodland represents 7.5% of land area (Forestry Commission)).

For forestry and woodland to secure sustainable economic and environmental benefits, there is a need to encourage innovation, adding value and improved efficiency in the harvesting, processing and marketing of forestry products; and the development of multi-use woodland. This approach is a mainstay of the England Forest Strategy, and will be the focus of this Measure. Some of Cornwall's existing woodland is a key feature of the region's distinctive landscape (e.g. the ancient sessile oak woodland of estuaries such as the Fal). The survival and biodiversity of such woodland depends on finding economic markets for its products.

This Measure will also support the establishment of new woodland on non-agricultural land. This will be of particular importance in areas where woodland can form part of plans for environmental enhancement and economic regeneration (e.g. the China clay districts). Target Beneficiaries will include woodland owners and others involved in agricultural and forestry activities, including businesses and individuals involved with harvesting, processing and marketing of forestry products and adding value in other ways (e.g. through alternative uses for woodland) – always subject to evidence of an adequate benefit to woodland and the woodland owners.

**Links to the Rural Development Regulation (EC) no. 1257/1999 (RDR)**

Activities in this measure are covered by Chapter VIII (Articles 29 and 30) of Council Regulation 1257/1999.

**Objective**

The objective of this measure is:

‘To bring more existing woodland into sustainable management with environmental gains by improving economic returns from timber, recreation and other opportunities; and to facilitate new woodland in appropriate areas.’

**Indicative Financial Allocations**

MEASURE 4.5 : INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	EAGGF	UK Public	Private
2000 – 2006	12,340,000	4,728,000	4,732,000	2,880,000

**Eligible Activities**

Support will be available for:

1. Projects to improve sustainable economic returns from estate and farm woodland of all kinds, excluding state owned forests, (e.g. by investment to improve and rationalise the harvesting, processing, and marketing of forestry products and promotion of new outlets; certification of woodland linked with marketing initiatives);
2. Investment in tourism and recreation to encourage 'multi-use woodland';
3. Establishment of networks and groups (i.e. 'associations of forest holders') to achieve strategic aims;
4. Investment in woodland management to improve economic, ecological and/or social value;
5. Strategic projects to co-ordinate afforestation within defined areas, with clear economic and environmental objectives. Examples of activities funded by this Measure include advice, demonstration, technical transfer and facilitation;
6. Grants for establishment of woodland and energy crops (short rotation coppice) on non-agricultural land (e.g. derelict land such as china clay sites) Funding for woodland establishment on agricultural land is available from Forestry Commission schemes.

The provision of professional facilitation for project development can be supported by Measure 4.6.

**Other eligibility guidance**

1. Support for processing only extends to primary processing (e.g. milling of green timber, the direct conversion of timber and forest residues to woodfuel. Industrial processing will not be eligible for support. As a guide, industrial processing includes pulp mills, particle board manufacture, and large scale sawmilling (i.e. mills with a production capacity of more than 20,000 cu metres per annum). Secondary processing and manufacture of wood products (e.g. shed construction, furniture making, joinery) are not eligible. However, there may be scope for supporting some small-scale traditional forms of manufacture under the tourism and crafts element of Measure 4.6.
2. Investment in state owned or local authority owned forests, for economic gain, is not eligible.
3. Applicants will need to demonstrate the economic viability of their businesses and investments by means of evidence such as accounts and business plans.
4. In the case of proposals for processing and marketing of timber, applicants will need to provide evidence of the existence of normal market outlets for the products concerned. When assessing

applications, the secretariat will consider issues such as market research, letters of intent from buyers, the current state of supply of the product in question, the additionality of the market and risk of displacement, and the use of regional branding.

5. An adequate and lasting share of the economic benefits from projects must accrue to woodland owners (primary producers). The secretariat will use a number of criteria such as the origin of the raw material, the volume of raw material to be used, contractual arrangements made for the supply of raw material, pricing arrangements for raw material, number of jobs protected or created. If a processing facility is to be operated by a woodland owner, the proportion of raw material sourced from other producers will be taken into account.
6. Applicants and projects must comply with minimum standards regarding environment, hygiene and animal welfare. In cases with the potential for a significant effect on the environment, environmental assessment may be required.

### Grant rates

Where there is an economic return to the beneficiary, the maximum total grant rate will normally be 50% (25% EAGGF, 25% UK public). In other circumstances, rates up to 100% can be awarded but, in all cases, grant will be limited to the minimum necessary to enable the project to proceed, and in no case can EAGGF exceed 35% of total eligible cost.

### Measure Selection Criteria

The measure selection criteria form part of the project appraisal and scoring criteria adopted by the Secretariat and partners, and are as follows:-

- i. The provision of substantive support, clearly able to generate significant benefits
- ii. The extent to which the woodland owners will share in the resulting economic benefits
- ii. The extent to which unmanaged woodland will be brought back into sustainable management
- iii. The extent to which multi-use woodland will be achieved
- iv. The extent to which the project will establish new woodland on non-agricultural land
- v. The inclusion of on-going end-beneficiary support

### Measure Targets

MEASURE 4.5: FORESTRY – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Number of agricultural, forestry and other rural enterprises assisted	250
Number of additional woodland owners supplying produce for new adding value initiatives in the Objective 1 area	73
<b>Results</b>	
Area of new woodland planted on non-agricultural land	300ha
Area of woodland brought under sustainable management	500ha
Gross Direct Jobs Safeguarded	728
Gross Direct Jobs Created	437
Gross Sales Safeguarded	£5m
Gross Additional Sales	£4m
<b>Impact</b>	
Net Additional Jobs Safeguarded	364
Net Additional Jobs Created	219
Net Additional GDP Safeguarded	£1m
Net Additional GDP Created	£800k

Please find the targets relating to the 3 cross cutting themes in the following section of the programme complement

## MEASURE 4.6 PROMOTING THE ADAPTATION AND DEVELOPMENT OF RURAL AREAS

### Measure Introduction

Article 33 of RDR provides support for a wide range of measures relating to agriculture, diversification and the wider rural economy. This Measure draws on this support, for activities not provided for by the Measures above.

Diversification continues to be a lifeline for many businesses in Cornwall, and has been a feature of most holdings on the Isles of Scilly for many years. Farm tourism is by far the most important and fastest growing form of diversification in the region, and relies heavily on the special character and diversity of its environment and heritage.

For most agricultural businesses, especially those for which diversification is not an option, cost reductions are the first step in restructuring. Activities such as machinery and skills sharing, technology transfer, and business support can all contribute to improving net income through reducing overheads and direct costs.

New entrants and tenant farmers often face difficulties when seeking loans from normal commercial sources (e.g. because of lack of track record or security/collateral). This Measure will target the provision of loans at these beneficiaries.

Poor infrastructure can be a handicap to businesses in Cornwall wishing to restructure, diversify or meet market demands. Support for infrastructure improvements has the potential to achieve economic and environmental gains (e.g. by facilitating the rationalisation of milk collection or investing in renewable energy).

Some areas within the region have an especially strong sense of community and/or distinctiveness. One such area was the subject of the Objective 5(b) funded Bodmin Moor Project which pioneered the integration of economic and environmental support and activity. This Measure can assist the development and implementation of other, area-based initiatives.

Declining farm incomes and the pressures of change cause anxiety and stress which is reflected by the high incidence of suicide amongst farmers. When compared with other occupational groups between 1991 and 1996, farmers have the highest actual number of suicides (190). Support and counselling are needed for these vulnerable members of the community.

Livestock auction marts are seen as important to the economy of several communities in Cornwall, and the farming community values them as an alternative to dead weight selling and for the sale of store cattle and suckled calves. However, most markets are suffering declining profits and several will not be able to survive for many more years. For some, salvation may lie in diversification of activities and services which will provide economic and social benefits to both the agricultural and the wider rural community.

The development of agriculture has had a particular effect on the landscape and the variety of natural and semi-natural habitats. Agriculture will continue to be the main influence on the environment, 86% of the region's land being managed by farmers. The environment is the basis for economic prosperity. In addition, there are new economic opportunities to be won by further developing the links between the environment, employment and income; links which are especially strong in this region (e.g. through tourism, recreation, speciality foods and other 'green' products). By supporting projects which derive economic benefits from the region's environment, sustainable environmental enhancement will be achieved. Funding for habitat management will mainly stem from agri-environment schemes such as Environmental Stewardship (accompanying measures), and not from Objective 1 Measures. However, activities supported by this Measure may complement such funding and help encourage farmers to enter into agreements under such schemes.

Target beneficiaries include farmers and others involved in agricultural and forestry activities, and in other eligible activities in the rural economy.

#### Links to the Rural Development Regulation (EC) no. 1257/1999

Activities in this Measure are covered by Chapter IX (Article 33) of Council Regulation 1257/1999. This Measure will not provide support for activities that fall within the scope of any other measures in Title II of Regulation 1257/1999.

#### Objective

The objective of this measure is:

To assist farms and related businesses improve viability, with quality business and diversification support and assistance to derive economic benefit from the region's environment, including help for those suffering from stress-related illnesses.'

#### Indicative Financial Allocations

MEASURE 4.6 : INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	EAGGF	UK Public	Private
2000 – 2006	91,748,548	34,957,900	34,967,900	21,822,748

Note: All the Rural Development Regulation, Article 33 measures will be adopted except:

- υ 1<sup>st</sup> indent - Land improvement;
- υ 2<sup>nd</sup> indent – Reparcelling;
- υ 6<sup>th</sup> indent - Renovation of villages etc. (to be financed by ERDF measures);
- υ 8<sup>th</sup> indent - Agricultural water resource management;
- υ 12<sup>th</sup> indent - Restoring agricultural production potential damaged by natural disasters;

NB: Sub-titles refer to the RD Reg Article 33 measure indents. Projects which fall within the scope of other RD Regulation Articles will not be eligible under this Measure.

#### Eligible Activities

Support will be available for:-

**Farm relief and farm management services (Indent 3)** - support for the means to reduce business costs and improve performance (e.g. by establishing machinery, transport and skills sharing, farm relief and management services).

**Marketing of quality agricultural products (Indent 4)** - the exposure of both primary and value added agricultural products to high profile marketing events and strategies; establishing collaborative marketing groups; developing and marketing speciality foods; the development and implementation of market intelligence networks and IT support systems for farmers, growers and processors, including market and consumer research into products and innovative market opportunities, and Technology Transfer applications; the implementation of quality assurance schemes, including traceability systems (e.g. electronic identification (EID) of livestock) and improved hygiene controls - e.g. HACCP systems; the expertise and technology required to raise product quality; further development of a regional brand(s) (e.g. Cornish King) and its wider use across agricultural and horticultural products; establishing or expanding farmers' markets or other outlets which focus on marketing local produce.

Products supported by this measure must have identifiable quality attributes which raise them above the level of 'commodity' products. They must also have identifiable agricultural origins even though they may have undergone one or more stages of processing.

The measure excludes capital investments within the scope of Measure 4.9, but can cater for necessary marketing activity associated with such projects. The scheme will also exclude any marketing measures covered by Community aided programmes developed by recognised producer organisations under Council Regulation 2200/96 (principally covering fruit, vegetables, fruit and vegetable processing, citrus, nuts and mushrooms).

Capital investment at the retail level (e.g. shops, restaurants, pubs) will not be funded unless primary producers have a direct financial interest, although marketing material (e.g. displays) will be eligible. (Applicants are encouraged to seek advice from GOSW). Capital investment in shops, restaurants, etc. on farms will be eligible in principle under Indent 7, below.

**Basic services for the rural economy and population (Indent 5)** - support to combat rural stress such as Rural Stress Information Networks, counselling services, and rural helplines; 'out of school' childcare schemes; car sharing schemes and other transport related initiatives; and ICT links. Projects to co-ordinate assistance targeted at the rural needs of specific areas. (This measure is intended to contribute to the facilitation and management structure for such projects, whereas assistance to meet the identified needs of the areas will be mainly drawn from other measures, as appropriate). The provision of affordable housing not eligible as farm diversification, provided it is targeted at farmers and other rural businesses or their employees (e.g. linking with the Fresh Start project). Business support; including technical and business consultancy, option analysis, feasibility studies and local voucher schemes to forge links with local professionals. Facilitation and project development. Diversification of the services provided by auction marts.

This measure does not seek to substitute for existing Government action; for example, to maintain rural schools or health facilities, or to provide additional funding for public transport in rural areas.

**Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes (Indent 7)** - activities will involve diversification out of agriculture. Examples include conversion of farmland, woodland, water and buildings to new purposes (e.g. rural workshops and offices); sport, recreation, farm shops, on-farm investment adding value to non-Annex 1 products. Support for equestrian establishments.

Proposals directly related to agricultural activities (as a guideline: related to products covered by Annex 1 of the Treaty of Rome – e.g. most niche or novel livestock and crops) will not be eligible under this Measure. However, support may be available from Measure 4.3 or 4.9.

**Development and improvement of infrastructure (Indent 9)** - assistance will be provided towards investment in infrastructure directly connected with the development of agriculture, e.g. ICT, access and transport related initiatives, energy, (including renewable energy), mains gas and water supplies, off-farm investment in handling and processing of agricultural waste, supply chain infrastructure (unless eligible in measure 4.9)

**Encouragement for tourist and craft activities (Indent 10)** - activities to further develop, improve and promote rural tourism (including extending the season); upgrading quality of accommodation and attractions; group marketing and promotion; activity holidays; and similar measures for rural crafts. (New accommodation and attractions will only be funded when there is convincing evidence of market need). Visitor management, including the provision of new or improved access for walkers, cyclists and horse riders; improvements to existing access provision over and above the statutory responsibility of the relevant authority; the promotion of strategic long distance or special interest routes, and links with public transport. Visitor interpretation and information facilities, with particular emphasis on the region's heritage and environment.

**Protection of the environment (Indent 11)** - activities will complement, rather than duplicate, the support available from Agri-environment schemes (e.g. Environmental Stewardship) and may include, inter alia: farm and woodland environmental surveys linked with business support; environmental work which contributes to the distinctiveness of the Region's natural and historic environment; river, estuary and coastal projects to deliver economic benefits through improvement of the environment and water quality; projects to address the problems of soil erosion from agricultural land, flooding, pollution and similar adverse effects arising from current farming practice (but not including measures to combat

erosion by the sea). Activities involving waste management, re-cycling and composting, in relation to agriculture and forestry, may also be eligible.

**Financial engineering (Indent 13)** – to provide financial support to allow targeted help in the form of loans only for tenant and/or new entrant farmers with limited capital assets.

Note: The provision of professional facilitation for project development can be supported by Indent 5, above.

**Grant rates**

1. The total level of aid, comprising both EAGGF and UK public contributions, will be determined taking account of: (i) the nature of the measure concerned; (ii) availability of private funding, and (iii) the extent to which the investment will generate revenue for the applicant.
2. As a general rule, the maximum rate of grant for investments from which the applicant will derive an economic return will be 50% (including 25% EAGGF, 25% UK public). However, funding up to 100% (including 50% EAGGF, 50% UK public) will be considered for projects with minimal economic return (e.g. those involving environmental or community/social objectives).
3. In addition:-
  - for investments in infrastructure, the EAGGF element must not exceed 40% of project costs (i.e. maximum total grant/public funding of 80%)
  - for investment in firms, the EAGGF element must not exceed 35% of project costs (i.e. maximum total grant/public funding of 70%).

**Measure Selection Criteria**

The measure selection criteria form part of the project appraisal and scoring criteria adopted by the Secretariat and partners, and are as follows:-

- i. The provision of substantive support, clearly able to generate significant benefits
- ii. The extent to which the project will increase the net incomes of rural businesses
- iii. The extent to which support, including ongoing support, is directly channelled to the final beneficiaries
- iv. The contribution to the adaptation and development of Cornwall and the Isles of Scilly's rural economy
- v. The extent of collaboration/co-operation achieved
- vi. The extent to which the long-term viability of farm businesses will be improved
- vii. Wider benefits achieved (e.g. economic benefits to other businesses, recreational, environmental, social)
- viii. The extent to which environmental activities will contribute to prosperity
- ix. Contribution to Cornish branding & distinctiveness
- x. The extent to which quality has been demonstrated and will be marketed

**Measure Targets**

MEASURE 4.6: PROMOTING THE ADAPTATION AND DEVELOPMENT OF RURAL AREAS- KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
Outputs	
Number of agricultural and other rural enterprises assisted	1,211
Results	
Number of businesses establishing or improving alternative enterprises	493
Number of businesses improving net income through cost saving, technology transfer, or business support	1,232

Number of businesses securing viability and/or diversification through improved infrastructure	246
Number of environmental visits or surveys achieving environmental and economic gains	246
Area of land subject to measures to reduce soil erosion, flooding or other adverse effects from current agricultural practice	3,697Ha
Gross Direct Jobs Safeguarded	5,189
Gross Direct Jobs Created	1,775
Gross Sales Safeguarded	£23.413m
Gross Additional Sales	£17.252m
Impact	
Net Additional Jobs Safeguarded	2,608
Net Additional Jobs Created	892
Net Additional GDP Safeguarded	£3.696m
Net Additional GDP Created	£2.464m

Please find the targets relating to the 3 cross cutting themes in the following section of the programme complement

#### MEASURE 4.7: STRUCTURAL ADJUSTMENT IN FISHERIES - FIG

##### Strategic Objective

The strategic objective for FIG resources in Cornwall and the Isles of Scilly is:

To support the development of an economically viable and sustainable fishing industry

This will be achieved through supporting activities under four Axes:

- Axis 1: Adjustment of fishing effort: permanent withdrawal
- Axis 2: Renewal and modernisation of the fishing fleet
- Axis 3: Protection and development of aquatic resources, aquaculture, fishing port facilities, processing and marketing of fishery and aquaculture products.
- Axis 4: Other measures

##### Financial Details

The anticipated financial breakdown by FIG Axis is:

AXIS	Total	EU	National	Private
Axis 1: Adjustment of fishing effort: permanent withdrawal	2.393	1.693	0.700	0
Axis 2: Renewal and modernisation of the fishing fleet	2.718	0.950	0.136	1.632
	0			
	2.718	0.950	0.136	1.632
Axis 3: Protection and development of aquatic resources, aquaculture, fishing port facilities, processing and marketing, processing and marketing of which:	18.859	10.295	2.790	5.774
	0.000	0.000	0.000	0.000
	0.643	0.225	0.032	0.386
	9.236	6.927	2.309	p.m.
	8.980	3.143	0.449	5.388
Axis 4: Other measures of which	4.163	3.122	1.041	0.000
	0.000	0.000	0.000	0.000
	3.269	2.452	0.817	p.m.
	0.893	0.670	0.223	p.m.
	0.000	0.000	0.000	0.000
<b>TOTAL</b>	<b>28.133</b>	<b>16.060</b>	<b>4.667</b>	<b>7.406</b>

"p.m." (pour memoire) = token entry.

The table is purely indicative since, for example, the national and private sector contributions (as provided for in the Council Regulation) will be dependent on whether the activities involve financial participation by private beneficiaries or whether they are carried out by public bodies or private bodies

acting for the collective good of the fishing industry.

Within a measure, there will be competition for the available FIGG funding and funding will be awarded to those projects which represent best value for money.

### Final Beneficiaries

The Department for Environment, Food & Rural Affairs (DEFRA) is the responsible authority for FIGG funding.

Final beneficiaries include local authorities, harbour authorities, collective bodies and private businesses.

PRIORITY 4: FIGG SUPPORT – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Boats up-graded	65
Boats de-commissioned	7
Fishing ports improved	14
Aquaculture development projects	6
Processing units improved	35
Marketing establishments improved	5
Promotion sales & marketing campaigns supported	10
Quality initiatives supported	5
Producer organisation supported	1
<b>Results</b>	
Gross Direct Jobs Safeguarded	300
Gross Direct Jobs Created	100
Gross Sales Safeguarded	£18m
Gross Additional Sales	£4m
<b>Impact</b>	
Net Additional Jobs Safeguarded	90
Net Additional Jobs Created	30
Net Additional GDP Safeguarded	£1.35m
Net Additional GDP Created	£0.46m
Outputs, results and impacts by Measure are detailed in the Programme Complement	
Note: Employment forecasts exclude some of the indirect employment effects.	

### General Provision

All support will be consistent with the Common Fisheries Policy, Council Regulation (EC) No 2792/1299, the Commission Guidelines for the examination of State Aids to Fisheries and Aquaculture and the UK and English Policies for Fisheries.

### Axis 1: Adjustment of fishing effort: permanent withdrawal

#### Objective

The aim of this measure is to reduce the capacity of the UK fleet and to reduce overall fishing effort so as to make a contribution to the UK's targets under MAGP IV and the restructuring of the fleet after 2001.

#### Eligible activities

The decommissioning of fishing boats

#### Target beneficiaries

Owners of fishing boats in the Cornwall and Isles of Scilly fishing fleet

Indicators: 7 vessels to be decommissioned

Selection Criteria: As determined by the Programme Monitoring Committee.

Financial Summary

Total Cost	2.393 meuro
Public Aid (25% min)	0.700 meuro
EU aid (75% max)	1.693meuro

Axis 2: Renewal and modernisation of the fishing fleet

Objective

The purpose of this measure is to assist in bringing Cornwall's aging fleet up to date with financial support to improve fish quality, crew comfort, and develop sustainable fishing techniques.

Eligible activities

The eligible activities are:

(a) The adoption of sustainable catching methods. This includes more selective fishing gear and gear which requires a move from intensive trawling (such as handlining, long lining, separator trawls, trawls incorporating sorting grids, pilchard ring netting and other traditional fishing gear that is species specific) and alternative fishing methods which will enable diversification of effort away from pressurised stocks.

(b) Facilities to maximise the quality of fish on board vessels. This includes refrigeration equipment, upgrading of fish rooms, insulation of fish rooms, ice making equipment, fish washing equipment, fish handling equipment, grading machines, weighing machines, equipment to improve the traceability of fish and information systems to assist in scheduling landings.

(c) Improvements in crew comfort and working conditions. This includes acoustic insulation around sleeping, toilet and washing facilities, ventilation systems, heating systems, improved lighting, cooking/messing facilities and fitting of lockers and changing facilities.

(d) Acoustic devices to deter cetaceans.

Target beneficiaries

Owners of fishing boats in the Cornwall and Isles of Scilly fishing fleet

Indicators: 65 vessels.

Selection Criteria: As determined by the Programme Monitoring Committee.

Financial Summary

Total Cost	2.718 meuro
Public Aid (as a % of total eligible cost) 5% minimum	0.136 meuro
EU aid (as a % of total eligible cost) up to 35%	0.950 meuro
Private Sector (as a % of total eligible cost) 60% minimum	1.632 meuro

Axis 3: Protection and development of aquatic resources, aquaculture, fishing port facilities, processing and marketing

Sub-axis 3.2: Aquaculture

Objectives

To encourage the expansion of aquaculture production in Cornwall/Isles of Scilly.

The eligible activities are:

- capital investments for the construction, extension, modernisation or equipping of installations for rearing fish, crustaceans or molluscs; and
- feasibility studies or projects designed to demonstrate, on a scale approaching that of normal productive investments, the technical and economic viability of farming species not yet commercially exploited in the aquaculture sector or innovative farming techniques, provided that they are based on successful research work.

**Target beneficiaries**

Companies and Private sector organisations

Indicators: 6 businesses

Selection Criteria: As determined by the Programme Monitoring Committee.

Financial Summary

Total Cost	0.643	meuro
Public Aid (public aid as a % of total eligible cost) 5% min	0.032	meuro EU
aid (as a % of total eligible cost) up to 35%	0.225	meuro
Private Sector (as a % of total eligible cost) 40% minimum	0.386	meuro

**Axis 3: Protection and development of aquatic resources, aquaculture, fishing port facilities, processing and marketing**

**Sub-axis 3.3: Fishing port facilities**

**Objective**

Investments must bring about a lasting improvement in conditions for the landing and initial sale of fish and contribute to lasting economic benefits or improved safety conditions.

The eligible activities include:

- improvements to fish markets;
- electronic selling systems;
- sorting, grading and weighing systems ;
- the upgrading of market or fish handling/storage areas, particularly with regard to temperature control and hygienic operation;
- improvement of safety during landing and loading of products;
- ice production, storage and delivery (including automated systems);
- hygienic storage and disposal of trade wastes;
- box washing and storage;
- mechanised floor washing/scrubbing machines;
- winches, fuel provision and vessel maintenance;
- security cameras on markets/quays;
- gear storage.

**Target beneficiaries**

Public and Private Sector bodies/companies

Indicators: 14 port improvements

Selection Criteria: As determined by the Programme Monitoring Committee.

Financial Summary

Total Cost	9.236	meuro
Public Aid*	2.309	meuro

EU aid*	6.927 meuro
Private Sector*	p.m.

\*DEFRA may, as provided for in Annex IV to Council Regulation 2792/99, consider applying a Group1 funding package to private sector collective bodies.

As a % of total eligible cost, a Group 1 funding package has a minimum 50% - maximum 75% FIGG grant with a minimum 50% public contribution.

As a % of total eligible cost, commercial private sector investments have a maximum 35% FIGG grant, 5% minimum Public grant and a minimum 40% Private Sector contribution.

### Axis 3: Protection and development of aquatic resources, aquaculture, fishing port facilities, processing and marketing

#### Sub-axis 3.4: Processing and marketing

##### Objective

Aid will be available to encourage innovation and capital investment in fish and aquacultural processing, including the modernisation of premises and production methods and the improvement of hygiene with a view to supporting enhancement of quality and adding value to the sector.

The eligible activities include improvements in hygiene, increases in production and product quality, reduced pollution of the environment, investments exclusively for the treatment, processing and marketing of fishery and aquaculture product wastes.

##### Target beneficiaries

Private sector beneficiaries

Indicators: 35 processing units and 5 marketing establishments

Selection Criteria: As determined by the Programme Monitoring Committee.

##### Financial Summary

Total Cost	8.980 meuro
Public Aid (public aid as a % of total eligible cost) 5% min	0.449 meuro
EU aid (as a % of total eligible cost) up to 35%	3.143 meuro
Private Sector (as a % of total eligible cost) 40% minimum	5.388 meuro

#### Axis 4: Other measures

##### Sub-axis 4.2: Promotion of Fishery and Aquaculture products/Operations by Members of the Trade

##### Objective

**Promotion:** Aid will be available for generic advertising campaigns to promote the consumption of fish and shellfish, market studies, consumer surveys and sales advice and assistance.

The eligible activities will include:

- market studies, including those relating to the prospects of marketing Community products in third countries, and surveys;
- consumer surveys;
- projects to test consumer reaction;

- promotion campaigns, including those highlighting quality issues;
- sales advice and aids;
- operations associated with quality certification and product labelling;
- campaigns for improving market conditions;
- organisation of and participation in trade fairs and exhibitions; and
- organisation of study and sales visits.

#### Operations by members of trade

#### Objective

Aid will be available to producer organisations and other collective bodies/organisations to support short-term operations which will improve the safety, sustainability and economic viability of the fishing industry.

Aid to producer organisations will include marketing initiatives, initiatives facilitating the adoption of quality improvement measures, and the formation of direct sales agreements with their customers, etc., so as to improve their members' returns

Other types of eligible activities will include:

- the management and control of conditions for access to certain fishing zones including the preparation of agreements, demarcation and enforcement of marine protected areas;
- the management of fishing effort;
- the promotion of technical fishing methods;
- promoting improved working and sanitary conditions on vessels and where fish are landed;
- promotion of selective gear and fishing methods;
- the collection of basic data in preparation of environment management models for fisheries;
- safety training and training in other skills, such as quality control and the organisation of transmission of know-how;
- the adoption of quality measures through traceability systems, systems to improve and control quality and fisheries certification schemes;
- the improvement of knowledge and transparency in production and in the market;
- networking.
- the organisation of information technologies to disseminate technical and commercial information, such as mapping of the sea bed;
- assisting local fisheries management;
- the organisation of electronic trade and supply control mechanisms;

#### Target beneficiaries

Public bodies and private sector organisations/companies

Selection Criteria: As determined by the Programme Monitoring Committee.

Promotion Indicators: 10 fish promotion and marketing campaigns

Operations by Members of the Trade Indicators: 1 producer organization supported, 5 quality initiatives supported, 10 projects undertaken by members of the trade.

#### Financial Summary

Total Cost	3.269 meuro
Public Aid*	0.817 meuro
EU aid*	2.452 meuro
Private Sector*	p.m.

\*DEFRA may, as provided for in Annex IV to Council Regulation 2792/99, consider applying a Group 1 funding package to private sector collective bodies. As a % of total eligible cost, a Group 1 funding package has a minimum 50% - maximum 75% FIG grant with a minimum 50% public contribution.

As a % of total eligible cost, commercial private sector projects have a maximum 35% FIG grant, 5% minimum Public grant and a minimum 40% Private Sector contribution.

#### Axis 4: Other measures

##### Sub-axis 4.3: Innovative measures

###### Objectives

Funding for innovative measures will include activities such as pilot projects, studies and demonstration trials. Funding will be used to identify opportunities for future restructuring of the fishing industry and to improve the sustainability of the fishing industry. Pilot projects will be carried out in conditions approaching actual conditions in the industry in order to establish the technical reliability and/or financial viability of an innovative technology with a view to acquiring and disseminating technical and/or financial knowledge of the technology being tested.

###### Target beneficiaries

Public bodies and private sector organisations/companies

Targets: ---

Selection Criteria: As determined by the Programme Monitoring Committee.

###### Financial Summary

Total Cost	0.893 meuro
Public Aid*	0.223 meuro
EU aid *	0.670 meuro
Private Sector*	p.m.

\* As a % of total eligible cost, Innovative measures by public bodies have a minimum 50% - maximum 75% FIG grant and a minimum 25% Public contribution. As a % of total eligible cost, Pilot projects other than those carried out by public bodies have a maximum 75% FIG grant, a minimum 5% Public grant and require a minimum 20% Private Sector contribution.

#### Measure 6.3: Technical Assistance for Implementation

	Total	EU	National	Private
MEASURE 6.1				
Technical assistance for implementation	1.247	0.935	0.312	0.000

FIFG assistance will be made available to support the implementation of the Measure 4.7 FIFG Axes. This includes the costs associated with specialist support from South West PESCA Ltd to assist fisheries enterprises to develop high quality projects, and to ensure that enterprises and individual are able to take up the opportunities provided by FIFG funds.

#### MEASURE 4.8: COMMUNITY REGENERATION (ERDF)

##### Measure Introduction

The smaller rural and coastal towns and communities are an important part of the life of Cornwall and the Isles of Scilly. They are home to a substantial part of the population, and are a distinctive feature of the area. The dependence of many communities on agriculture and fishing, their comparative

remoteness from major centres and difficult access to major towns within Cornwall, and the under-investment in the local infrastructure now requires a comprehensive and integrated approach to rural development. It is neither desirable, nor possible, to concentrate all economic opportunities in the larger settlements. This would undermine the principle of sustainability and would inevitably lead to both a loss of services and population from the smaller communities. This Measure therefore seeks to support sustainable development which will provide economic opportunities which will contribute to the maintenance and creation of employment for local communities. This will include support for – the provision of facilities, including small scale workspace, and services designed to enable people to take up training and or employment, support that enables entry to the labour market, support for the development of the social economy and related training and/or employment opportunities.

Investment will involve focussed action with resources made available for locally based facilitation to enable communities to engage in community-led economic regeneration. This facilitation role should be developed as part of the rural economic agenda to include the work of the Market and Coastal Towns Initiative, Local Strategic Partnership and the economic regeneration work of the District Councils.

The Isles of Scilly are a distinctive feature of the South West region. The Islands are separate from Cornwall and are administered by the Council of the Isles of Scilly which has been in existence as a principal free-standing authority for over 100 years. Basic services such as sewerage, water supply and waste management are for the most part, and uniquely in England, still publicly operated. They have to provide, not only for the resident population, but also for visitors who can triple the population for a large proportion of the year. In light of this, actions within this Measure recognise the unique position of the Isles of Scilly.

This Measure will provide support for locally based economic regeneration opportunities with the community involved in the development and/or delivery of project activity.

**Objective**

The objective of this Measure is:

‘To regenerate rural, coastal and island communities affected by the long-term decline of primary key sectors through increased local services and community facilities.’

**Measure Financial Allocations**

MEASURE 4.8: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	55,486,000	21,736,000	21,750,000	12,000,000

**Eligible Activities**

Support will be available for:

**Revenue**

1. Feasibility and research studies;
2. Support for local facilitators helping undertake regeneration activities;
3. Specialist support for community enterprises and social economy enterprises, including amateurs and mentors, grants and loans, and relevant business advice and guidance.

**Capital**

1. Facilities for the delivery of enterprise services with pump-priming and revenue support for new facilities (with associated childcare facilities where required);

2. Development of facilities and equipment, including ICT local access infrastructure, which enables increased access to and the delivery of training;
3. Development and enhancement of local infrastructure, including small-scale workshops and business space, leading to the realisation of economic opportunities; (see Measure 2.6 criteria)
4. Environmental improvements which are linked to a regeneration plan;
5. Support for enhanced communal facilities and infrastructure on the Isles of Scilly, including sewerage, waste management, electricity and telecommunications.

**Measure Selection Criteria**

1. The creation of economic opportunities for the local community;
2. The inclusiveness of the partnership;
3. The likelihood of support securing employment for residents and businesses of the target area.

**Measure Targets**

MEASURE 4.8: COMMUNITY REGENERATION- KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Number of IAPs supported	11
Learning centres improved/established	8
Community Enterprises established	3
Business facilities/enterprises improved or created	10
Number of micro-businesses supported	50
Hectares of Land serviced	8
Sq m of premises supported	12,300 sq m
Environmental Improvements undertaken	5
Key Centres/Locations improved	6
Feasibility Studies undertaken	4
<b>Results</b>	
Gross Direct Jobs Safeguarded <sup>1</sup>	743
Gross Direct Jobs Created <sup>1</sup>	446
Gross Sales Safeguarded	£21.8m
Gross Additional Sales	£23.6m
<b>Impact</b>	
Net Additional Jobs Safeguarded <sup>1</sup>	129
Net Additional Jobs Created <sup>1</sup>	122
Net Additional GDP Safeguarded	£8.1m
Net Additional GDP Created	£8.04m
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	

Please find the targets relating to the 3 cross cutting themes in the following section of the Programme Complement

**MEASURE 4.9: PROCESSING AND MARKETING OF AGRICULTURAL PRODUCTS (EAGGF)**

**Background and Rationale**

The Region has a strong reputation for the production of good quality primary produce from land valued for its environmental importance. However, a high proportion of that produce leaves the region with little or no added value. Cornwall has been particularly vulnerable to re-organisation in the food processing industry, (e.g. the closure of Unigate at St Erth, January 1997). There has been a trend for processing capacity to migrate eastwards towards the major markets, with consequent negative impacts on GDP for the region. Nonetheless, food and drink processing is now a high growth sector in Cornwall although

some businesses import most or all of their ingredients from outside the region. The potential for further market-led growth should therefore be encouraged, especially where competitiveness can be raised and benefits passed back to the regions farmers and growers. Adding value within the region also has the potential to contribute to environmental aims (e.g. by reducing 'food miles').

The rationalisation of marketing channels and procedures may complement investment in processing, improve the efficiency of the supply chain, and make the region's agriculture and food industry more sustainable (e.g. re-organisation of transport and distribution, rationalisation and improvement of auction marts).

Target beneficiaries will include businesses on and off the farm - processors and marketing companies and organisations, and producer groups with the exception of those covered by EC Aided programmes developed by recognised producer organisations under Council Regulation 2200/96. Although funding will be targeted at Micro businesses and SMEs, larger businesses may be assisted if their investments will deliver significant benefits to agricultural SMEs and Micro businesses, and provided the investments do not breach State Aid rules.

**Links to the Rural Development Regulation (EC) No. 1257/1999 (RDR)**

Activities in this measure are covered by Chapter VII (Articles 25 – 28) of Council Regulation 1257/1999.

**Objective**

The objective of this Measure is:

'To increase the number of businesses enhancing their competitive position by participating in the continuing development of processing and marketing and raising the volume and diversity of local agricultural and horticultural products.

**Indicative Financial Allocations**

MEASURE 4.9: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	EAGGF	UK Public	Private
2000 – 2006	27,039,110	5,407,222	5,410,222	16,221,666

**Eligible Activities**

Support will be available for:-

1. Capital investment to improve and rationalise the processing of agricultural products (including novel and industrial crops, and ornamental foliage, in so far as they are 'agricultural products' within the definitions in Annex I of the Treaty of Rome) to achieve added value, including investment in buildings, infrastructure, services, and processing plant/equipment large- and small-scale, on and off farms. However, the purchase of land is not eligible.
2. Capital investment to enable producer-processors and processors to meet market trends and quality assurance standards (including, inter alia, agreed health, hygiene, animal welfare and environmental criteria).
3. Capital investment to improve preparation and presentation of products, and to apply new technology and innovative methods.
4. Capital investment to improve the use or elimination of by-products or waste (including, inter alia, the manufacture of 'secondary' products; anaerobic digestion and composting).
5. Capital investment to improve or rationalise marketing channels or processing procedures (but excluding investment at the retail level). Examples might include the development of local collection and distribution networks, rationalisation of livestock auction marts.

6. Revenue costs but only up to a limit of 12% of total eligible costs and only if they are for necessary consultancy and professional fees directly associated with the capital investment (e.g. architects and surveyors fees).

Eligible investments include new buildings, refurbishing existing buildings, and purchasing and installing equipment. Purchase of land is not eligible.

The provision of professional facilitation for project development can be supported by Measure 4.6.

#### Additional eligibility guidance

##### 1. Ingredients.

- a). Products to be processed (i.e. ingredients) must fall within the definition of agricultural products as laid down in Annex 1 of the Treaty of Rome.
- b). Funding will not be available for the processing and marketing of products from third countries (i.e. those outside the EU). However, a small proportion of such ingredients, i.e. up to 10% of a project's annual input (by value or volume), can be accepted.
- c). Fish is not an agricultural product and is another ineligible ingredient.

Applicants are advised to seek advice from GOSW in all cases involving a proportion of ineligible ingredients.

2. The measure excludes any producer activities covered by Community aided programmes developed by recognised producer organisations under Council Regulation 2200/96 (principally covering fruit, vegetables, fruit and vegetable processing, citrus, nuts and mushrooms).
3. Investments at the retail level (e.g. shops, restaurants) are not eligible under this Measure (but see Measure 4.6).
4. Applicants will need to provide evidence of the existence of normal market outlets for the products concerned. When assessing applications, the secretariat will consider issues such as market research, letters of intent from major buyers, the current state of supply of the product in question, the additionality of the market and risk of displacement, and the use of regional branding.
5. Investments must guarantee primary producers an adequate share in the resulting economic benefits. The secretariat will use a number of criteria including the origin of the raw material, the volume of raw material to be used, contractual arrangements made for the supply of raw material, pricing arrangements for raw material, number of jobs protected or created. If the processing facility is to be operated by a farmer or grower, the proportion of raw material sourced from other producers will be taken into account.
6. Investments must comply with minimum standards regarding environment, hygiene and animal welfare.

#### Grant rates

In line with Defra policy (which is based on evaluations of past Processing and Marketing grant schemes) the maximum grant rate will normally be 40% (including 20% EAGGF, 20% UK public). However, in exceptional cases funding will be available up to a total of 50% (including 25% EAGGF, 25% UK public) which is the maximum permitted by RDR. Examples of such cases might include proposals with exceptional establishment and running costs resulting from location (e.g. on the Isles of Scilly); small-scale processing of speciality foods with limited economies of scale; and projects of particular strategic importance which would not go ahead without 50% intervention. In all cases, the grant payable will be the minimum necessary to enable the project to proceed.

#### Measure criteria

The measure criteria form part of the project appraisal and scoring criteria adopted by the Secretariat and partners, and are as follows:-

- i. The extent to which the producers of primary products will share in the resulting economic benefits
- ii. The extent of other, wider benefits

- iii. The strength of the identified market(s) for the resulting products
- iv. The extent to which the project will lead to an increase in quality of what is produced for the market
- v. The extent to which professional advice/support is incorporated within the proposal.

### Measure Targets

MEASURE 4.9 PROCESSING AND OF QUALITY AGRICULTURAL PRODUCTS – KEY OUTPUTS, RESULTS AND IMPACTS BY 2010	
Indicator	Target
Outputs	
Number of Agricultural SMEs assisted	217
Number of additional agricultural businesses supplying produce for new processing activities in the Objective 1 area	244
Number of additional agricultural businesses supplying produce to regionally branded products	203
Number of new products marketed	4
Results	
Gross Direct FTE Jobs Safeguarded	1,423
Gross Direct FTE Jobs Created	508
Gross Sales Safeguarded	£56.935m
Gross Additional Sales	£20.334m
Impact	
Net Additional Jobs Safeguarded	813
Net Additional Jobs Created	203
Net Additional GDP Safeguarded	£8.133m
Net additional GDP created	£4.066m
¹ All jobs are Full Time Equivalentents (FTEs)	

Targets relating to the cross cutting themes are detailed in the following section of the Programme Complement

## PRIORITY 5: REGIONAL DISTINCTIVENESS

### PRIORITY INTRODUCTION

Cornwall and the Isles of Scilly have a strong sense of identity and a unique natural and historic environment of outstanding quality, which provides a resource for many key economic activities. This distinctiveness is a vital strength of the region and the ability to secure economic benefits arising from it is a key plank in developing a sustainable economy where income and opportunities are the equal of other regions of the UK and Europe.

This distinctiveness provides employment and economic benefit through value added to primary production, tourism, recreation, heritage, arts and the creative industries. These sectors account for a considerable proportion of employment in Cornwall and the Isles of Scilly, and of equal importance, are forecast to grow in the medium and long-term.

Just as Cornwall is distinct from the rest of the UK, so are the Isles of Scilly distinct from Cornwall. The landscape of the Isles of Scilly is unique, with the natural, farmed, built and archaeological elements closely inter-linked within a small area. There is no similar cluster of islands off the English coast.

Many of the opportunities identified in the SWOT were linked to capitalising on this distinctiveness, through for example: developing sustainable tourism; branding and marketing, including product brands; and developing environmentally friendly products and the products and services of the creative industries. All of these opportunities are linked to the distinctiveness agenda. Underlying these opportunities was the need to build a knowledge-based economy with a higher proportion of activity from higher value added activities. It is this opportunity that underpins the regional distinctiveness Priority.

A key element of any efforts to capitalise on the distinctiveness of Cornwall and the Isles of Scilly must be the facility to enhance and further develop the intellectual assets which underpins the distinctiveness features. Thus, Cornwall is not just a destination for environmental visitors, but a home for environmental related research and development. This also applies to other areas such as culture and heritage. An important element of the Priority is therefore to provide facilities that allow for the growth of the intellectual capital of the region.

Cornwall's distinctiveness is a result of five inter-linked themes:

- A natural environment which combines farmed and un-farmed landscapes such including field boundaries, hedges, an outstanding coastline, heathland and upland areas of exceptional beauty;
- A historic/built environment heritage based on ancient pre-Celtic influence, a medieval dimension based on Celtic/Christian overlap, an industrial heritage based on mining, and a fishing/ maritime heritage based on a number of major ports and small harbours;
- A cultural and arts heritage based on the Celtic tradition, the Cornish language and an arts tradition based on the natural and built environment;
- A history of innovation and enterprise which once placed Cornwall not only at the heart of the Industrial Revolution, but also at the leading edge of technology
- An existing base of knowledge and expertise in art, applied arts, life sciences, environmental and earth sciences.

Tourism in Cornwall and the Isles of Scilly is under-pinned by the quality of the environment. The West Country Tourist Board's strategy for 1999-2003 states that, "The quality of the natural (and built) environment is the main attraction which brings visitors to the region. It is therefore essential that the quality is maintained". The distinctiveness of Cornwall and the Isles of Scilly is fundamental to the quality of the experience of visitors. A recent National Trust study, "Valuing Our Environment", verified this conclusion where it noted that 81% of all holiday trips to Cornwall are motivated by conserved landscape. (At a South West England level this is 78%). It is estimated that tourism accounts for over 30,000 jobs in Cornwall and the Isles of Scilly, suggesting that even if only half of these were dependent

on the natural and built environment, some 15,000 people directly depend on the quality of this environment for their living.

Cornwall has a strong cultural tradition and has a very active arts community. Although the numbers employed directly in the sector are relatively small, many of the activities serve as the backdrop against which considerable other activity revolves. The most obvious example is the Tate Gallery in St Ives (developed with ERDF support), which is widely acknowledged as having revitalised the economic fortunes of the town, including businesses involved in accommodation provision, catering, and crafts.

Although the distinctiveness dimension of the environment supports considerable employment, there is additional potential to build on this strength by taking advantage of new and additional opportunities that are likely to emerge over the course of the Programme period and beyond. These include:

- The possibility of securing a higher level of year round and well-paid employment in the coming years.
- National surveys suggest that the creative industries sector is one of the fastest growing in Britain. Cornwall already has natural advantages that can be enhanced and supported to provide a thriving sector.
- The Regional Economic Strategy recognised in its vision that businesses need to be able to capitalise on the creative use of the environment in delivering competitive advantage - *"we must conserve the best and enhance the rest in support of economic development objectives"*.

There is clearly considerable growth potential in the "distinctiveness" sectors provided the appropriate infrastructure, support and development services are made available. Existing businesses will be central to the development of dynamic and innovative sectors based on regional distinctiveness. In addition to the heritage sector, tourism, the arts and creative sectors and traditional land based sectors, a high quality environment is increasingly recognised as a crucial, but less tangible capital asset e.g. for attracting inward investors and businesses (CBI surveys).

## PRIORITY OBJECTIVE

The strategic objective of the Priority is:

To increase the economic and employment benefits resulting from new sustainable opportunities developed from the strengths of the region's environmental, historical and cultural distinctiveness.

The measures developed to realise the strategic aim and objective are:

Measure 5.1 – Securing the benefits from the arts, cultural and heritage (ERDF)

Measure 5.2 – Enhancing and developing the public product (ERDF)

Measure 5.3 – The knowledge driven region (ERDF)

Measure 5.4 – Research and knowledge (ESF)

Measure 5.5 – Improving and developing the public realm (ERDF)

## PRIORITY SELECTION CRITERIA

### ERDF

The Priority Criteria are used to obtain a score for each project (see Chapter 1). In order to effectively select projects ERDF will use the final project "score" as one of a number of criteria in recommending which projects should be supported. This will allow the appraisal system to be used as a guide to the suitability of a project, with other factors determining the final recommendations. It will also allow the members of Priority Management Groups to bring their practical experience to bear.

### Contribution to Priority Criteria

1. Increase employment and new investment in arts, culture, and heritage

2. Secure new investment and increase employment in the built and natural environment
3. Improve the quality of the historic, built and natural environment
4. Secure new investment linked to distinctiveness

Contribution to Additional Benefits

1. Attract and develop higher value added companies and employment
2. Increase incomes in distinctiveness “industries” (arts, culture and heritage)
3. Increase in the quality of distinctiveness assets

**FINANCIAL ALLOCATIONS**

**Priority Financial Allocations**

The Table below gives the financial allocation to this Priority.

PRIORITY 5: REGIONAL DISTINCTIVENESS				
	Total Costs	EU	UK Public	Private
ERDF	198,111,000	96,549,000	88,196,000	13,366,000
ESF	14,322,000	5,967,000	6,565,000	1,790,000
Totals	212,433,000	102,516,000	94,671,000	15,156,000

**Indicative Measure Financial Allocations**

	Total Costs	Total EU	ERDF	ESF	EAGGF	FIFG	UK Public	Private
Measure 1	33,091,000	14,271,000	14,271,000	0	0	0	13,820,000	5,000,000
Measure 2	39,336,000	17,443,000	17,443,000	0	0	0	16,893,000	5,000,000
Measure 3	99,751,000	54,651,000	54,651,000	0	0	0	45,000,000	100,000
Measure 4	14,322,000	5,967,000		5,967,000	0	0	6,565,000	1,790,000
Measure 5	25,933,000	10,184,000	10,184,000	0	0	0	12,483,000	3,266,000
Total	212,433,000	102,516,000	96,549,000	5,967,000	0	0	94,761,000	15,156,000

**MEASURE 5.1: SECURING THE BENEFITS FROM THE ARTS, CULTURAL AND HERITAGE INDUSTRIES**

**Measure Introduction**

Although the physical assets are key elements of regional distinctiveness and are pivotal to attracting visitors and promoting exports, employment and prosperity are also functions of the many organisations and businesses that: maintain and interpret these assets; produce products; and attract and provide services for the many visitors to the region. Maintaining and increasing the economic viability of these businesses is an important goal.

The sustainability of economic benefits from regional distinctiveness requires a high level of market awareness, and an enhanced visibility premium arising from products and services developed in Cornwall for “export” to other regions. This involves further developing the branding strategy based around the distinctiveness of Cornwall and the Isles of Scilly. This is not solely a marketing related issue. Any brand that is built on quality has to reflect quality throughout its activities, and this requires quality assets, quality organisations and quality businesses.

Cornwall and the Isles of Scilly’s arts, creative and heritage industries are a diverse community, and although numbers are small (but growing), includes performing arts and artistes, crafts people, media related businesses (film/publishing/television and radio) as well as museums and other heritage related businesses. Much of the attraction of Cornwall for visitors and for inward investors is centred on the cultural tradition of Cornwall - its Celtic heritage and language, its historic landscape and its

contemporary arts. This also means that creative talent is attracted to Cornwall, but all too often is not harnessed and supported. The potential for increasing high quality product in the creative industries in Cornwall is great and the encouragement of this type of industry will safeguard and reinforce the image. In addition to attracting visitors and investors with the image, we need to ensure that year round provision is at a high enough standard to encourage them to return and stay.

The growing media sector has based much of its identity on the cultural distinctiveness of Cornwall, which in turn provides an opportunity to use the sector to further reinforce the brand. The potential for increased employment allied to increased profile in this sector is substantial.

Public and private sectors bodies will be supported with activities providing benefits to SMEs in Cornwall and the Isles of Scilly from the arts, cultural and heritage industries, including tourism.

### Objective

The objective of this Measure is:

‘To develop and promote Cornwall and the Isles of Scilly based on its distinctiveness and encourage the growth of arts, culture and heritage activity thus securing economic advantage for the region’.

### Measure Financial Allocation

MEASURE 5.1: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	33,091,000	14,271,000	13,820,000	5,000,000

### Eligible activities

This is a capital and revenue measure. Support will be available for:

1. The development of appropriate strategies, business plans including a branding strategy based on regional distinctiveness;
2. Adding value to, and providing an umbrella for, the individual product brands i.e. linking the generic to sector specific promotion, including market research, intelligence and analysis using new technologies, feasibility and technical studies (including design);
3. Promotion and marketing campaigns;
4. The development of supporting information/knowledge systems through the use of ICT;
5. The development of Scillies' distinctiveness with activities as listed above;
6. Services and facilities needed to further develop the economic impact of these sectors, including the provision of specialist research/development facilities and support;
7. Support for the development of sector groups and business development plans, support opportunities for innovation and new thinking and the feasibility of sector specific visions.

### Measure Selection Criteria

1. The provision of substantive support, clearly able to generate significant benefits for the SME;
2. The extent to which support is directly channelled to the SME;
3. The contribution from the private sector;
4. The inclusion of on-going client management support.

### Measure Targets

MEASURE 5.1: SECURING THE BENEFITS FROM THE ARTS, CULTURE AND HERITAGE – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Feasibility studies	3
Centres of excellence established	4
Marketing branding campaigns supported	10
Number of SMEs assisted	600
<b>Results</b>	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	1,380
Gross Direct FTE Jobs Created <sup>1</sup>	1,380
Gross Sales Safeguarded	£69m
Gross Additional Sales	£69m
<b>Impact</b>	
Net Additional Jobs Safeguarded <sup>1</sup>	198
Net Additional Jobs Created <sup>1</sup>	198
Net Additional GDP Safeguarded	£9.9m
Net additional GDP created	£9.9m
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	

Please find the targets relating to the 3 cross cutting themes in the following section of the Programme Complement

## MEASURE 5.2: ENHANCING AND DEVELOPING THE PUBLIC PRODUCT

### Measure Introduction

The distinctiveness of Cornwall and the Isles of Scilly relates both to the historic and natural environment, their interactions and the cultural traditions of the Region. The settlement pattern is distinct and a number of the settlements, including the coastal communities have distinctive heritage assets that complement the natural environment. This is particularly true of the smaller harbours and coves, which act as a focus of both commercial and tourist activity as well as visual interest in these areas. As the volume of traditional maritime industries decline, new uses are being found for harbour facilities and it is important to ensure that these complement their maritime character or integrate with existing activities.

These maritime heritage assets complement much of inland environment, and together these offer an environmental diversity that few regions can match. Enhancing the natural and built environment is an important goal on both sustaining current economic benefits and securing additional opportunities.

The sheer scale of buildings, monuments, special sites and historic gardens means that there is substantial opportunity to further develop economic benefits without concentrating visitor numbers on a small number of fragile sites. Developing further economic opportunities is dependent on the mix of both the quality of the "product" and the "facility" / "service" designed to meet the needs of visitors -- maintaining and enhancing both these aspects of Regional Distinctiveness is an important goal of activity supported under this Priority.

There are a number of constraints to securing the new and additional benefits through regional distinctiveness. The key constraint is that many of the key assets are not provided by the private sector, are effectively part of the public product. Resource constraints means that finance for reinvestment is not always available. Regional distinctiveness assets are just like any other asset, there has to be a programme of re-investment and improvement to maintain the distinctiveness value.

Public and private sectors bodies will be supported with activities providing benefits to SMEs in Cornwall and the Isles of Scilly in all sectors.

### Objective

The objective of this Measure is:

'To maintain and increase the economic benefits derived from the coastal and inland heritage, the buildings and structures of historic value and the natural environment with emphasis on access for visitor and resident alike.'

### Measure Financial Allocation

MEASURE 5.2: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	39,336,000	17,443,000	16,893,000	5,000,000

### Eligible Activities

This is a capital measure. Support will be available for

1. Land reclamation and restoration and the consolidation of historic buildings, structures and sites, with particular emphasis on the economic benefits to be developed from their conservation;
2. Feasibility and technical studies to develop a strategic approach to public product investment;
3. Enhancement of the facilities for interpretation and access to the environment;
4. Refurbishment of vernacular buildings;
5. Restoration of existing slips/access points/quays/piers/ harbour walls of the smaller harbours and coves;
6. Development of waste management facilities in the smaller harbours and coves (to enable tourist and recreation uses);
7. Enhancement, refurbishment and appropriate re-use of redundant vernacular buildings, including port, mine and historic industrial buildings for business use including tourism.

### Measure Selection Criteria

1. The extent to which the project involves infrastructure/facilities closely linked to the distinctiveness assets of Cornwall and Scilly;
2. The degree of market failure;
3. The potential number of visitors;
4. Linkages to revenue support activities.

### Measure Targets

MEASURE 5.2: ENHANCING AND DEVELOPING THE PUBLIC PRODUCT – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Feasibility studies	5
Number of ports improved	3
Number of buildings enhanced/improved	10
<b>Results</b>	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	660
Gross Direct FTE Jobs Created <sup>1</sup>	660
Gross Sales Safeguarded	£33m
Gross Additional Sales	£33m
<b>Impact</b>	
Net Additional Jobs Safeguarded <sup>1</sup>	95
Net Additional Jobs Created <sup>1</sup>	95
Net Additional GDP Safeguarded	£4.75m
Net additional GDP created	£4.75m
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	

Please find the targets relating to the 3 cross cutting themes in the following section of the Programme Complement

### MEASURE 5.3: THE KNOWLEDGE DRIVEN REGION

#### MEASURE INTRODUCTION

There are two key influences facing Cornwall and the Isles of Scilly. The first is at a national level which was encapsulated in the concept of a "knowledge-based economy". This is a major element of Government Policy to improve the overall competitiveness of the UK. In the global marketplace, knowledge, skills, and creativity are needed above all to give the UK a competitive edge. These are the distinctive assets of a knowledge driven economy. They are essential to creating high-value products and services and to improving business processes.

The second is a growing awareness in the South West of England of the crucial need to link decision and policy making to clear, accurate and relevant information, analysed in an intelligent way.

Cornwall and the Isles of Scilly can benefit from these two wider trends by harnessing some of the vibrant forces of creativity that are a hallmark of the history and future of the region. The knowledge-based economy can be best addressed through proposals for the "Combined Universities in Cornwall". Underpinning these plans and opportunities to address crucial issues such as the "brain-drain", the links between education and business, specifically associated science and R&D spin-offs, and availability of Higher Education opportunities for all.

The benefits to local SMEs of major new research and development facilities cannot be underestimated. Cornwall has a small number of companies at the leading edge of development. A number of others are involved in high growth sectors. These companies have been unable to benefit from easy access to both the facilities and intellectual resources of major research facilities. In addition, the provision of a regular pool of graduate and post-graduate labour offer additional opportunities for companies to expand.

An additional stimulus will come from the new investment itself, as local companies take opportunities linked to the initial and subsequent investment, and to the opportunities arising from the day to day running of new facilities. This stimulus also extends to the wider population, and the provision of a new Higher Education facility is likely to engage people who had previously not considered higher education appropriate to their situation e.g. women with care responsibilities unable to leave the region.

The further development of these linkages and the building on this existing base will enable increased employment opportunities of a higher value than is traditionally available within the region. The growth of this activity will build on the strengths of the region and become a forceful economic driver in its own right.

#### OBJECTIVE

The objective of this Measure is:

'To support the development of a higher quality knowledge driven economy through the provision of facilities which allow the region to further develop and capitalise on intellectual assets, increase the provision of higher-level employment opportunities and intellectual capital, building on the strengths of the region.'

#### Measure Financial Allocation

MEASURE 5.3: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)
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	Total Costs	ERDF	UK Public	Private
2000 – 2006	99,751,000	54,651,000	45,000,000	100,000

## ELIGIBLE ACTIVITIES

The Measure supports Capital and Revenue activity. Support is available for:

1. Technical and feasibility studies to assess demand and need for new facilities;
2. Centres of excellence, research and development facilities;
3. Facilities which allow for the commercial development of activities where the region has an acknowledged strength;
4. Higher-level learning and training facilities;
5. Enhancement and development of ICT facilities including associated equipment and materials.

## MEASURE SELECTION CRITERIA

1. The extent to which investment will improve the research and development capacity within Cornwall and the Isles of Scilly;
2. The extent to which investment builds upon and develops key sectors identified in Measure 1.6;
3. The extent to which investments building upon previous Structural Fund and European investment in Cornwall and the Isles of Scilly.

## MEASURE TARGETS

MEASURE 5.3: KNOWLEDGE DRIVEN REGION - KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
Outputs	
Number of centres established	4
Results	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	188
Gross Direct FTE Jobs Created <sup>1</sup>	642
Gross Sales Safeguarded	£3.3m
Gross Additional Sales	£13m
Impact	
Net Additional Jobs Safeguarded <sup>1</sup>	189
Net Additional Jobs Created <sup>1</sup>	642
Net Additional GDP Safeguarded	£3.3m
Net additional GDP created	£16.8m
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	

Please find the targets relating to the 3 cross cutting themes in the following section of the Programme Complement

## MEASURE 5.4: RESEARCH AND KNOWLEDGE - ESF

### MEASURE INTRODUCTION

This is an ESF measure which will support the activities funded from Measure 5.3 (ERDF). It is essential to link forecast embryonic businesses that require R&D to the new University (CUC). Research groups can provide the intellectual capacity needed to ensure these new, higher value growth business get off the ground. The growth of intellectual capital intrinsically requires development of the human resource as well as personal development so funding will be provided to support individuals in the pursuit of increased knowledge that can be of economic benefit to the region. The collective activity will add value to previous, as well as proposed, CUC capital investment and provide an innovative, intellectual facet to

regional distinctiveness. It will also contribute to adaptability although specialising in pre-production research and development. Efforts will be made to link all activities to the research and development needs of the SME base.

## OBJECTIVE

The objective of this Measure is:

'To assist individuals and organisations in the development of intellectual capital'

MEASURE 5.4: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ESF	UK Public	Private
2000 – 2003	14,322,000	5,967,000	6,565,000	1,790,000

The 2004 – 2006 allocations are being transferred to measure 3.9.

## ELIGIBLE ACTIVITIES

This measure will provide resources to support activities funded under Measure 5.3, although other initiatives which clearly capitalise and further develop the intellectual capital of Cornwall and the Isles of Scilly will be eligible for support.

1. Research and development grants;
2. Support for training in research linked to the development of intellectual capital;
3. Support for post-graduate and post-doctoral research linked to areas of acknowledged and developing expertise;
4. Support for higher-level training linked to commercial research in areas of acknowledged expertise;
5. Support for exchange visits and trans-national co-operation linked to appropriate post-graduate, post-doctoral and commercial research and development;
6. Support for visiting experts (on short and medium term basis) to help develop intellectual capital in the region.

## Measure Selection Criteria

The ESF selection criteria, against which all project applications in this Priority will be scored, is based on the English Objective 3 Operational Programme and has been approved by the PMC. Applications reaching the 65% minimum quality threshold will then be appraised against the above Priority criteria. Full details of the scoring and selection process is contained in the 'Objective 1 ESF Applications Guidance' which available on the GOSW website or from the Secretariat

## Measure Targets

MEASURE 5.4: KNOWLEDGE-DRIVEN REGION – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
Outputs	
Total number of measure beneficiaries	600
Of which:	
Number of economically inactive beneficiaries assisted with training	400
Number of employed beneficiaries assisted with training	400
Number of women beneficiaries	300
Number of beneficiaries working towards a higher level qualification (NVQ level 3 minimum)	600
Results	

Number of beneficiaries securing a higher level qualification (NQF level 3 minimum) or units towards one.	400
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Please find the targets relating to the 3 cross cutting themes in the following section of the Programme Complement

## MEASURE 5.5: IMPROVING AND DEVELOPING THE PUBLIC REALM

### MEASURE INTRODUCTION

Investment in the public realm of the region's towns and villages, including the historic environment, can often make a vital contribution to the broader economic regeneration agenda, in particular in maintaining and enhancing the economic viability and vitality of the region's towns and villages. In certain areas and for some buildings, public pump-priming investment to overcome market failure is often a pre-requisite for private sector led economic activity. Investment from agencies such as the Heritage Lottery Fund and English Heritage is often an integral element from which larger economic regeneration schemes are built. This intervention serves as a major catalyst for local employment and private sector investment and will, literally, provide the environment – and commercial floorspace – in which businesses can prosper, thereby enabling private sector leverage. The SWOT in Chapter 7 of the SPD identifies the continued deterioration of the built environment of the towns of the region, and highlights the erosion of distinctiveness and environmental quality as an inhibitor of economic vibrancy.

Economic regeneration and development frequently entails a process of physical change which needs to be carefully managed. Key to the successful, sustainable regeneration of the public realm is a clear understanding of the distinct character of each of the region's towns and villages: their buildings and spaces. Once understood, this individual character can then be protected and enhanced through the use of local materials, native species and vernacular features. Investment in the public realm offers a real opportunity for contemporary contributions in urban design and architecture to the built environment of Cornwall and the Isles of Scilly's towns and villages. An important aspect of successful physical regeneration is the role of high quality design in transforming the perception of a place. Quality can bring a range of benefits – not only aesthetic, but economic and environmental. An intelligent and imaginative approach can enrich a place and the Commission on Architecture and the Built Environment (CABE) is taking a strong lead in encouraging excellence and building in context: fitting the best of high quality contemporary development into sensitive vernacular and historic settings.

The adaptive re-using of historic buildings and where this is not possible, the re-use and recycling of their materials makes economic and environmental sense. The efficient use of existing buildings in the region's towns and villages can have a substantial impact on efforts to provide commercial floor-space. An obvious example is empty and unused upper floors above shops and offices. Reusing these vacant spaces will bring benefits: increasing the markets for local businesses and improving the appearance of an area. In terms of resources historic buildings are often constructed of local, low energy material and their repair and re-use is an inherently sustainable for conserving and re-using the embedded energy of the materials as well as the asset value of historic structures.

Funding physical improvements to historic buildings and spaces can bring real economic benefits to an area. In order to maximise these economic development opportunities, public realm and heritage-led regeneration initiatives should be part of an integrated economic regeneration portfolio for the town or village.

Public and private sectors bodies will be supported with activities providing benefits to SMEs in Cornwall and the Isles of Scilly in all sectors.

### Objective

The objective of this Measure is:

'To develop and enhance the public realm within towns and villages through an integrated approach to heritage and distinctiveness, ensuring economic benefits are maximised'.

MEASURE 5.5: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)				
	Total Costs	ERDF	UK Public	Private
2000 – 2006	25,933,000	10,184,000	12,483,000	3,266,000

### Eligible Activities

This is a capital and revenue measure. Support will be available for

1. Technical and feasibility studies
2. Historic buildings improved and/or adapted for economic use
3. Investment in sustainable public realm schemes
4. Improvement of key sites and centres where environmental and other improvements are clearly linked to a regeneration plan.
5. The provision of sites and premises leading to increased economic use including space above retail premises within towns.

### Measure Selection Criteria

1. An integrated approach to the regeneration of the area
2. Linkages to revenue support activities
3. The involvement and/or contribution by the private sector including the local Chamber of Commerce
4. Employment produced by sustainable commercial space

### Measure Targets

MEASURE 5.5: IMPROVING AND DEVELOPING THE PUBLIC REALM – KEY OUTPUTS, RESULTS AND IMPACTS	
Indicator	Target
<b>Outputs</b>	
Feasibility studies	3
Number of SMEs assisted	400
Environmental Improvements undertaken	10
Key Centres/locations improved	20
Listed buildings enhanced	25
Commercial Floorspace developed (sq m)	4,000
<b>Results</b>	
Gross Direct FTE Jobs Safeguarded <sup>1</sup>	390
Gross Direct FTE Jobs Created <sup>1</sup>	390
Gross Sales Safeguarded	£19.5m
Gross Additional Sales	£19.5m
<b>Impact</b>	
Net Additional Jobs Safeguarded <sup>1</sup>	56
Net Additional Jobs Created <sup>1</sup>	56
Net Additional GDP Safeguarded	£2.8m
Net additional GDP created	£2.8m
<sup>1</sup> All jobs are Full Time Equivalents (FTEs)	

Please find the targets relating to the 3 cross cutting themes in the following section of the Programme Complement

## TECHNICAL ASSISTANCE

Technical Assistance will have the following objectives:

- Efficient and accountable management of the Programme;
- Maximising the quality of Programme implementation and its impact; and
- Ensuring information about, and publicity for, the Programme both within and outwith the Region.

A total of 13,410 meuro of Structural Fund support has been allocated for Technical Assistance, to be co-financed by 5,350 meuro of national public expenditure.

Technical Assistance can be accessed by any partner or group of partners who have developed relevant projects and who can provide the necessary co-financing. It is expected that partners will bring forward a number of projects throughout the Programme period, which will be complementary to and additional to the activities proposed in the SPD.

The Mid-Term Review of the programme indicated a need to drive forward development of projects to ensure that sufficient commitments are made in order to meet year on year N+2 expenditure targets. It is therefore envisaged that TA may be used to help with project development capacity, particularly to help accelerate the development and delivery of strategic projects during the second half of the programming period.

## CORE ACTIVITY

Six activities are proposed as part of a Core TA Programme. These are:

- Programme support;
- Workshops, Seminars and Conferences;
- Publicity and Communication;
- Guidance Material;
- Capacity Building, Facilitation, Project Development; and
- Research Fund.

## MEASURE 1 (RULE 11.2)

### Programme Support

The PMC has responsibility for the strategic oversight and effective delivery of the Programme. One of the criticisms identified in previous evaluations has been the lack of proactive delivery of strategy. To assist the PMC with this function it may be desirable to establish a sub-group to undertake this role and maintain the strategic focus of the Programme. Additional partnership resources would be required to support this function in addition to the Secretariat, whose role it would be to service the PMC.

### Workshops, Seminars and Conferences

A number of successful workshops and seminars were held for ERDF, ESF, and EAGGF as part of the Objective 5(b) Programme, and the interim evaluation recommended that further seminars and workshops should be organised. Such events will satisfy a number of objectives:

- increasing expertise for organisations new to the Programme, and new members of staff in organisations with previous funding experience;
- providing guidance and support on aspects of the funding process such as selection criteria, and eligibility;
- promote the aims and achievements of the Programme to a wider audience.

- This is likely to involve national and international experts in particular fields. It is proposed to organise a programme, after fully consulting local partners.

### Publicity and Communication

The Cornwall Now Campaign has already generated substantial interest in the Programme amongst the wider population – approximately 16,000 consultation forms have been received providing extensive input into the strategy developed by the Partnership. In order to ensure that as many people as possible are aware of the Programme there is a need to promote the Programme to new organisations, to develop capacity within Partnership organisations, and also to make the wider public aware of the benefits of the Programme. This activity will be in addition to the publicity carried out by individual project sponsors as part of their contractual obligation as grant recipients.

In order to undertake this, consideration will be given to the retention of a publicity and promotion officer, for a fixed period. A support budget will also be made available for general publicity material, exhibition material, travel and attendance at events.

### Guidance Material

The European Secretariat produced a range of guidance material to assist applicants in the Objective 5(b) Programme and the Interim Evaluation recommended the production of additional guidance materials. Given the wider scope of the Objective 1 Programme, it will be important to make extensive guidance available to potential applicants, particularly the private and voluntary sectors.

This will involve both further research and the production of high quality support materials. This will include written guidance on all aspects of the programme, including the application and claims processes, as well as technical guidance on issues such as estimating economic effects of projects. Specialist guidance on issues such as eligibility will also be made available.

### Capacity Building, Facilitation and Project Development

A number of facilitators were used to help deliver the EAGGF and ERDF elements of the Objective 5(b) programme, a role which will also be necessary in the new Programme. In order to ensure that the maximum number of projects come forward, particularly from sectors which have traditionally been under-represented in the Programme such as voluntary groups, there is a need to appoint facilitators for all five Priorities. The main role of facilitators will be to assist project applicants develop ideas and empower local communities to take forward their proposals.

In addition, it will be vital to ensure that strategic projects are developed in time to be delivered within the programme's life. It is envisaged that TA may be used to help support project development capacity within the partnership to drive forward the development and delivery of projects. It is planned to explore the possibility of using Secretariat salaries as potential match-funding for this non-core additional programme management activity.

## MEASURE 2 (RULE 11.3)

### Research Fund

Previous experience of Structural Fund programmes has shown that additional, bespoke research can often be of significant benefit in operationalising elements of the strategy such as business support or tourism. Bespoke strategies will incorporate a detailed review of existing conditions, highlight priorities for intervention, and encompass methods for ranking of project applications.

Evaluation also plays a crucial role in improving the effectiveness and efficiency of the Programme. Provision has been made for an interim evaluation at the end of the third year of the Programme, and a final evaluation following the end of 2006. Recommendations from the interim evaluation, where appropriate, will be used to improve the operation of the second half of the Programme.

The choice of studies to be funded would be determined by the Monitoring Committee, following consideration of detailed Terms of Reference. It is expected that the Monitoring Committee would establish a Steering Group to oversee any studies.

## FINANCIAL ALLOCATIONS

The following table gives the financial allocations at the measure level:

TECHNICAL ASSISTANCE: INDICATIVE FINANCIAL ALLOCATIONS (MEUROS)								
	Total Costs	Total EU	ERDF	ESF	EAGGF	FIFG	UK Public	Private
Measure 1 (Rule 11.2)	11,447,000	6,880,000	3,820,000	2,000,000	-	935,000	4,598,000	4,000
Measure 2 (Rule 11.3)	1,967,000	1,180,000	1,180,000	-	-	-	0.713	-
Total	13,250,000	7,935,000	5,000,000	2,000,000	-	935,000	5,311,000	4,000

## CROSS-CUTTING THEMES

### INTRODUCTION

The rationale and background for the development of Cross-Cutting Priorities have been presented in the Single Programming Document.

This section details the Programme's Cross-Cutting Priorities and presents targets, by operational objective, for each. The intention is that these should be treated in a horizontal manner, relevant to all four of the constituent funds (i.e. EAGGF / ERDF / ESF / FIFG) and all five of the "vertical" Priorities. The strategies for each of the Cross-Cutting Priorities will involve prioritisation within the vertical Priorities using a range of techniques, via the selection and appraisal system, and subsequent monitoring and evaluation using appropriate and relevant targets and indicators for each project. This section sets out the Programme-level targets for each of the Cross-Cutting Priorities.

Although Cross-Cutting Priorities do not have financial allocations associated with their implementation, the realisation of the objectives are of equal weight to the vertical Priorities and progress towards the realisation of these objectives will be presented as a separate element in each Annual Report to the European Commission.

### EQUAL OPPORTUNITIES THEME

#### Introduction

There are a number of groups who, for a variety of reasons, are particularly disadvantaged in the labour market of Cornwall and the Isles of Scilly. Women in particular face a number of obstacles which affect their full participation in the labour market. In Cornwall and the Isles of Scilly women are under-represented in higher paid and higher skilled sectors – in 1999, 18% of men were in management or other corporate occupations, compared to only 8% of women. Conversely, there were proportionately 4 times as many women as men occupying basic administration and clerical positions and sectors with a high proportion of low paid positions.

Women returners, lone parents and other groups face particular barriers in maximising their employment potential. Whilst childcare provision has increased and more employers are adopting flexible work practices, such options are highly variable depending on location and employer. The 1999 Prosper employers survey indicates that only a small minority of companies allow staff to work flexible hours, provide or contribute towards the cost of childcare, or job share and other activities.

In the case of women the combined effect of such barriers is that earnings are significantly below those of males. Females in Cornwall employed full time earn a quarter less than males every week, although the gap is narrower in Cornwall than nationally. Gender differences in average earnings have also become less stark over time, although the pace of change has been slow and convergence, or a position approaching convergence, is some way off. Women who return to employment after having children also lose out substantially to childless women, largely due to only being able to work reduced hours when they return.

### PRIORITY OBJECTIVE

Achieving equality requires that a range of issues are addressed, a number of which are outside the remit of the Programme, and which will be pursued by social and economic partners. The central thrust of this Priority is mainstreaming equality of opportunity to ensure that the opportunities generated by the Programme, including the opportunity to participate in the management of the Programme, are genuinely open to all, and that positive steps are taken to remove barriers or bias. It is important that projects supported by the Programme ensure that an appropriate contribution is made to achieving this equality.

The Programme's Equal Opportunities Priority objective is:

*“To increase the equality of opportunity provided by the Programme, including the take up of opportunities by women, through the promotion and provision of support, and prioritisation of activities, that explicitly address barriers to participation.”*

This Priority objective is consistent with EU Guidance on the need to mainstream equal opportunities in all aspects of Structural Fund Programmes, rather than to isolate it as a specialist issue of relevance to a minority of partners or project sponsors. Nevertheless, the key groups for the Equal Opportunities Priority are those who are disadvantaged in the labour market by multiple barriers. Although it will be important to assist many groups in accessing better quality opportunities, highest priority will be given to those who are outside of the system, or do not even have their first foot on the ladder.

There are a number of activities that project sponsors will need to be aware of to help meet the Equal Opportunities objective. These include:

- the accessibility of buildings;
- the opening hours of facilities;
- the timing of delivery of training and other services;
- the integration of pro-active policies to promote to target groups; and
- the provision of mentors and after-care services.

### Implementing the strategy

Within this Priority Objective, there are a number of specific operational objectives which the Programme will seek to address. The objectives link directly to the Priority rationale and the Equal Opportunities analysis presented in the SPD. Five operational objectives have been agreed and are set out below:

- *The first Operational Objective is: to enable equality of access to opportunities for all women, including to all levels of training and sustainable employment*
- *The second Operational Objective is: to enable equality of access to opportunities for people with disabilities, including to all levels of training and sustainable employment.*
- *The third Operational Objective is: to support activities that increase the adoption of equal opportunities strategies and family friendly policies and / or the awareness of the benefits of Equal Opportunities*
- *The fourth Operational Objective is: to enable equality of access to opportunities, including all levels of training and sustainable employment, for people who are disadvantaged in the economy, including by virtue of age, ethnicity, rural isolation etc.*
- *The fifth Operational Objective is: to increase the diversity of social and economic partners participating in the management and implementation of the Programme*

### MECHANISMS

The following mechanisms will be available to ensure prioritisation:

- ◆ A pre-approval gender assessment of all projects with a total value of over £2million to ensure that barriers to take up of support by women have been taken into account;
- ◆ The awarding of up to 10% of the project appraisal score for projects contributing to the operational objectives;
- ◆ A higher grant rate for items of expenditure within projects related to meeting the operational objectives;

- ◆ Higher levels of “softer” support within projects that target those who are disadvantaged in the labour market;

The justification for higher grant rates will be examined on a case by case basis.

## SUPPORT

The following support will be made available:

- ◆ Advice and guidance from a lead officer responsible for Equal Opportunities (either within the Secretariat and / or in a nominated organisation);
- ◆ Advice and guidance in relation to project development and good practice;
- ◆ Sign-posting to specialist advice and / or where appropriate to statutory agencies.

Equal Opportunities guidance for projects likely to apply for Programme funding or those being delivered with Programme funding is available from the Partnership Office – 01872 241379 or see the Partnership website [www.objectiveone.com](http://www.objectiveone.com)

## IMPLEMENTATION

The Equal Opportunities Cross-Cutting Priority's objective will be realised through five “operational” objectives. The means by which these will be implemented are detailed below.

### Operational Objective 1

The first Operational Objective is: *to enable equality of access to opportunities for all women, including to all levels of training and sustainable employment.*

Analysis of previous Programme data has indicated that while women are often well represented with regard to lower levels of training, higher-level training and training for higher paid occupations are dominated by men. To some degree, previous activity has reinforced or failed to address this gender imbalance. A similar situation applies to new business support and entrepreneurial training, again where men dominate. A significant number of employment and training opportunities will be created by the Programme across all five vertical Priorities and assistance to enable equality of opportunity will include:

OPERATIONAL OBJECTIVE 1: to enable equality of access to opportunities for all women, including to all levels of training and sustainable employment.		
TARGETS		
Outputs	Measure	Programme Target
Projects targeting <u>exclusively</u> economically disadvantaged women	Any appropriate Measure	5
Number of women receiving training, guidance or wage subsidy support for women including those who are disadvantaged in the labour market	Any appropriate Measure	29,700
Number of women receiving higher-level training, guidance, and related support.	Any appropriate Measure	500
Support to businesses which enable them to increase their employment of women in non-traditional areas of employment	Any appropriate Measure	50
Number of women to helped to set up in business (split help and assistance)	Any appropriate Measure	1,200
Number of buildings and facilities with safe access	Any appropriate Measure	10
Number of beneficiaries supported with childcare	Any appropriate Measure	10,000

## Operational Objective 2

The second Operational Objective is: *to enable equality of access to opportunities for people with disabilities, including to all levels of training and sustainable employment.*

Analysis of previous Programme data has indicated that people with disabilities have not always had equality of opportunity in terms of accessing opportunities. This equality of opportunity should encompass access to buildings and facilities as well as to all levels of training and the sustainable employment opportunities created by the Programme. A similar situation applies to new business support and entrepreneurial training. A significant number of employment and training opportunities will be created by the Programme across all five vertical Priorities and assistance to enable equality of opportunity will include:

OPERATIONAL OBJECTIVE 2: to enable equality of access to opportunities for people with disabilities, including to all levels of training and sustainable employment		
TARGETS		
Outputs	Measure	Programme Target
Support to people with disabilities people setting up in business	Any appropriate Measure	100
Number of buildings / facilities with access for people with disabilities.	Any appropriate Measure	40
Training, guidance and related support to people with disabilities, including at a higher level.	Any appropriate Measure	1,000

## Operational Objective 3

The third Operational Objective is: *to support activities that increase the adoption of Equal Opportunities strategies and family friendly policies and/or the awareness of the benefits of Equal Opportunities*

In terms of scale of activity, the Objective One Programme will assist considerable numbers of training beneficiaries and businesses. There is an opportunity, therefore, to influence how organisations, managers and owners organise and undertake their operations and businesses, with a view to increasing the awareness of the benefits of Equal Opportunities as well as the equality of opportunity both for groups seeking employment, and those already in employment.

OPERATIONAL OBJECTIVE 3: to support activities that increase the adoption of Equal Opportunities strategies and family friendly policies and / or the awareness of the benefits of Equal Opportunities		
TARGETS		
Outputs	Measure	Programme Target
Number of businesses and organisations adopting / developing Equal Opportunities strategies and / or family friendly policies	Any appropriate Measure	500
Support for activity that increases the awareness of the benefits of Equal Opportunitites:	Any appropriate Measure	100

## Operational Objective 4

*The fourth Operational Objective is: to enable equality of access to opportunities, including all levels of training and sustainable employment, for people who are disadvantaged in the economy, including by virtue of age, ethnicity, rural isolation etc.*

A review of previous activity indicated that particular groups (including those by virtue of age, ethnicity, rural isolation etc.) have difficulties accessing economic opportunities, and even when they were successful, were more likely not to achieve positive and sustainable outcomes. For example Priority 3 "People Development" incorporates specific measures to directly enhance the labour market position of groups at present disadvantaged in the labour market. Nevertheless, the Programme as a whole offers a range of opportunities that should be available to all. This objective seeks to recognise that particular groups are affected by economic disadvantage, and are the most likely not to participate in the benefits generated by the Objective One Programme unless pro-active steps are taken. A significant number of employment and training opportunities will be created by the Programme across all five vertical Priorities and assistance to enable equality of opportunity will include:

OPERATIONAL OBJECTIVE 4: to enable equality of access to opportunities, including all levels of training and sustainable employment, for people who are disadvantaged in the economy, including by virtue of age, ethnicity, rural isolation etc.		
TARGETS		
Outputs	Measure	Programme Target
Projects supporting economically disadvantaged people setting up in business	Any appropriate Measure	10
Projects supporting the economically disadvantaged, including the identification of barriers	Any appropriate Measure	15
Projects supporting training, guidance and related support for the economically disadvantaged, including at a higher level	Any appropriate Measure	10
Projects improving the quality of of working conditions	Any appropriate Measure	20
Projects enabling access to employment / training opportunities through support for childcare	Any appropriate Measure	20

**Operational Objective 5**

*The fifth Operational Objective is: to increase the diversity of social and economic partners participating in the management and implementation of the Programme.*

Although women make up half the workforce, and are well represented in certain sectors such as health and education, the numbers involved at senior management level is low. This is also the case in both public and private sector decision-making structures, where the majority of participants are often male. The opportunity exists for the Objective One Programme to both set an example and take advantage of the untapped potential of these groups who have a major role to play in delivering a successful Programme.

OPERATIONAL OBJECTIVE 5: to increase the diversity of social and economic partners participating in the management and implementation of the Programme.	
Task/activity	Responsibility/target
Production and up-dating of Equal Opportunity guidance for project sponsors	Secretariat on behalf of the PMC. Guidance up-dated at least annually
Organisation on a regular basis of workshops for project sponsors	Secretariat on behalf of the PMC. A minimum of two workshops per annum.
Inclusion of Equal Opportunity representative on the PMC	Secretariat. At least one Equal Opportunity representative on the PMC
Nominated lead officer within the Programme Secretariat for Equal Opportunity matters	Secretariat
Prioritisation of Equal Opportunity activities within the appraisal system	Secretariat
Development and implementation of Equal Opportunity appraisal	Secretariat. Gateway criteria applied to all projects over £2 million total value

Detailed reporting on the Equal Opportunity priority in the Annual Report	Secretariat
Ensuring gender balance on the PMC	Secretariat
Task/activity	Responsibility/target
Ensuring gender balance on sub-committees of the Programme	Secretariat
The arrangement of meetings at family friendly times, locations and venues	Secretariat
The arrangement of meetings in buildings / facilities that are fully accessible.	Secretariat

## INFORMATION SOCIETY THEME

### INTRODUCTION

Relative to other regions, Cornwall has traditionally lagged behind in securing a share of the benefits generated by the Information Society. Proportionately fewer people, for example, are employed in Cornwall in sectors directly linked to the Information Society including computing, software, telecommunications and IT businesses.

Penetration rates of ICT amongst the wider population have also been lower in Cornwall and the Isles of Scilly – fewer than a third of individuals surveyed in December 1998 had a personal computer, whilst only 1 in 10 used the Internet. Whilst participation in the Information Society is expanding rapidly, Cornwall and the Isles of Scilly remain behind the pace set in other regions. Businesses in Cornwall and the Isles of Scilly have also been slower than average to exploit the advantages afforded by the Information Society.

Nevertheless, the Information Society developments offer a real opportunity for peripheral and rural economies to overcome some of the disadvantages of location and scale of local labour force/markets. It is important, therefore, that Cornwall and the Isles of Scilly develop a strategy to realise this potential.

To date the Programme has responded positively to the opportunities provided by ICT against the background of market failure within the region. The award winning actnow and Lets Do IT projects have supported the provision of the infrastructure, business support and training necessary for the creation of sustainable demand, thereby underpinning sustainable economic growth. The opportunity now exists to look beyond a single technology and build on the present business use of ICT, as well as further enhance ICT literacy; all of which are vital for a more knowledge-based economy.

In order to fully develop the ICT Cross-Cutting Priority support for the information society should not be implemented through separate Measures but rather active consideration should be given to incorporating it, in an appropriate manner, into every project.

### PRIORITY OBJECTIVE

Using ICT to overcome the physical isolation and bring about long term improvements in business competitiveness and to overcome disadvantage in the labour market is central to the Information Society Priority. Whilst there are a number of factors outside the influence of the Objective One Programme such as the pace and nature of technological change, the policies of national and multi-national companies, and the price and availability of new services, the Programme can make a significant contribution to spreading the benefits of the Information Society across Cornwall and the Isles of Scilly. A wide range of activities will be co-financed by the Objective One Programme, including workspace construction, training and business support all of which can contribute to the objective of this Priority.

The Programme's Information Society Priority objective is:

*“To ensure that ICT makes a positive contribution to the objectives of the Programme through the promotion and provision of support and the prioritisation*

*of activities that explicitly address the economic opportunities available through the use of ICT."*

Each of the five vertical Priorities will involve a range of actions, including how project sponsors plan, implement and monitor their activities, which help meet the ICT objective, these will include:

- ◆ Ensuring that new and refurbished buildings and facilities have suitable ICT infrastructure;
- ◆ The provision of ICT delivered information within all advisory and marketing projects;
- ◆ The opportunity for beneficiaries to take up ICT related training at a time and location that suits their needs; and
- ◆ The participation of project sponsors in networks of information exchange and best practice.

#### IMPLEMENTING THE STRATEGY

Although there is no direct financial allocation to the Information Society Priority, the strategy will be implemented through a series of operational objectives which are closely linked to the five vertical Priorities, their constituent Measures and Programme management and implementation arrangements.

To ensure that the above actions are co-ordinated and integrated within the total SPD it is proposed that a demand-led strategy be developed that identifies future growth for the usage of ICT by sector. This study, a Regional Information Society Initiative, will establish inhibitors to increased use (e.g. for reasons of lack of access) as well as identifying flagship projects, and facilities and services that are models of good practice.

The operational objectives are:

- *The first Operational Objective is: to support the provision of ICT infrastructure and access for businesses;*
- *The second Operational Objective is: to support activities that increase the awareness and familiarity with the of ICT in the economy and business;*
- *The third Operational Objective is: to increase the number of people receiving ICT related skills training, and information, guidance and training delivered through ICT applications.*
- *The fourth Operational Objective is: to increase the number of people receiving ICT related skills training, and information, guidance and training delivered through ICT applications.*
- *The fifth Operational Objective is: to increase the use of electronic and telematic services for the delivery and management of Programme activities.*

#### MECHANISMS

The following mechanisms will be available to ensure prioritisation:

- ◆ The awarding of up to 5% of the total project appraisal score for projects contributing to the operational objectives;
- ◆ A higher grant rate for projects that support the provision of ICT infrastructure and access for business;
- ◆ A higher grant rate for items of expenditure within projects related to meeting the operational objective.

The justification for higher grant rates will be examined on a case by case basis.

#### SUPPORT

The following support will be made available:

- ◆ Advice and guidance from a lead officer responsible for ICT (either within the Secretariat or in a nominated organisation);
- ◆ Advice and guidance in relation to project development and good practice;
- ◆ Sign-posting to specialist advice where appropriate.

ICT guidance for projects likely to apply for Programme funding or those being delivered with Programme funding is available from the Partnership Office – 01872 241379 or see the Partnership website [www.objectiveone.com](http://www.objectiveone.com)

## IMPLEMENTATION

### Operational Objective 1

The first Operational Objective is: **to support the provision of ICT infrastructure and access for businesses;**

ICT is a fundamental part of the infrastructure environment for a more knowledge-based economy. Upgrading the ICT infrastructure of the region remains a priority for the Programme – given the sparsity of the population in many parts of Cornwall and the Isles of Scilly it is likely that intervention will be required to overcome market failure. Nevertheless, it will be the long-term use of the infrastructure by the private sector that will make its use sustainable and enabling enhanced business use of ICT is key to this.

OPERATIONAL OBJECTIVE 1: To support the provision of ICT infrastructure and access for businesses;		
TARGETS		
Output	Measure	Programme Target
Number of buildings / facilities with upgraded ICT infrastructure	Any appropriate Measure	10
Number of projects supporting ICT infrastructure and access.	Any appropriate Measure	5
Business access to broadband	Any appropriate Measure	100%

### Operational Objective 2

The second Operational Objective is: *to support activities that increase the awareness and familiarity with the use of ICT in the economy and business*

Although a growing number of people are familiar with the use of information technology and the services it can provide, there remains a significant part of the population who have little knowledge of and no contact with telematics. Another part of the population has some knowledge, but may not be aware of the full potential of the information society developments. Although activity under the other information society operational objectives will contribute to the increased awareness of and familiarity with ICT in the economy and business, specific and targeted activity is also needed.

The first step in increasing knowledge is to increase people's familiarity with the technology and services. The second step is to make people aware of the benefits of the service - i.e. it is the service that is provided, combined with the technology, which demonstrates the importance of the information society, rather than the technology per se.

OPERATIONAL OBJECTIVE 2: To support activities that increase the awareness and familiarity with the of ICT in the economy and business		
TARGETS		
Outputs	Measure	Programme Target
Information Society awareness raising initiatives for individuals who are disadvantaged in the labour market	Any appropriate Measure	14
Projects which utilise ICT applications rather than traditional delivery methods (projects)	Any appropriate Measure	20

### Operational Objective 3

The third Operational Objective is: *to increase the number of people receiving ICT related skills training, and information, guidance and training delivered through ICT applications.*

The Programme will provide assistance, guidance and training to a substantial number of beneficiaries over its life. This presents a number of opportunities. There is an opportunity to demonstrate the benefits of the information society and, in particular, to identify the potential for businesses and in lifelong learning - i.e. for training to be delivered in a form, and at a time and a place, that suits the business and / or the individual. The second opportunity is to allow those who have been out of the labour market for some time to gain familiarity with the ICT at the basic level. Thirdly, there is a need to ensure that a suitable supply of higher skilled people is available to allow companies to recruit appropriately qualified staff linked to new opportunities and business and sectoral growth.

OPERATIONAL OBJECTIVE 3 : To increase the number of people receiving ICT related skills training, and information, guidance and training delivered through ICT applications.		
TARGET		
Output	Measure	Programme Target
Number of people provided with ICT related training (beneficiaries)	Any appropriate Measure	6,000
Assistance to beneficiaries disadvantaged in the labour market	Any appropriate Measure	1,500

### Operational Objective 4

The fourth Operational Objective is: *to increase business application of ICT as a means to increase competitiveness.*

The Information Society has implications for every enterprise in Cornwall and the Isles of Scilly. It represents both a threat and an opportunity. The ability of businesses to access new markets through ICT, to promote, sell and purchase goods electronically will open up both new markets and the Cornish market. The businesses that anticipate such new opportunities will be the most likely to flourish in the longer run.

The Information Society also presents opportunities for the SME base to establish networks of co-operation on business and technical issues, and to increase their commitment to life long learning through the use of ICT to deliver training at a time and a place suitable to both the employer and the employee. In addition, a number of new sectors have considerable potential to expand as a result of growth in ICT and new applications. These include multi-media and software development businesses.

OPERATIONAL OBJECTIVE 4: To increase business application of ICT as a means to increase competitiveness.		
TARGETS		
Output	Measure	Programme Target
Number of new Information Society businesses started up	Any appropriate Measure	200
Number of Information Society businesses supported	Any appropriate Measure	240
Number of businesses assisted to develop new ICT systems	Any appropriate Measure	300
Number of businesses assisted to undertake ICT reviews	Any appropriate Measure	1,000
Number of businesses assisted with ICT-related training	Any appropriate Measure	1,000
Provision of new and upgraded research, demonstration and ICT training facilities	Any appropriate Measure	5

### Operational Objective 5

The fifth Operational Objective is: *to increase the use of electronic and telematic services for the delivery and management of Programme activities.*

As with Equal Opportunities, there is a need for the Programme itself to act as an exemplar. There is considerable scope to increase the use of ICT and telematics in the delivery of the Programme. This includes the exchange of information electronically, rather than by paper. For example, electronic

formats could be developed and exchanged for application forms, monitoring returns, the distribution of committee papers, interactive communications via websites, and a more active dissemination of best practice information using ICT.

OPERATIONAL OBJECTIVE 5 : To increase the use of electronic and telematic services for the delivery and management of Programme activities.	
Task/activity	Responsibility/target
Production and up-dating of ICT guidance for project sponsors	Secretariat on behalf of the PMC. Guidance up-dated at least annually
Organisation on a regular basis of workshops for project sponsors	Secretariat on behalf of the PMC. A minimum of two workshops per annum.
Nominated lead officer within the Programme Secretariat for ICT matters	Secretariat
Prioritization of ICT activities within the appraisal system	Secretariat
Use of the world-wide web to publicise the progress and achievements of the Programme	Secretariat
Detailed reporting on the ICT Priority in the Annual Report	Secretariat
The establishment of an Information Society working group	Secretariat

## ENVIRONMENT THEME

### Introduction

The environment of Cornwall and the Isles of Scilly are important regional assets, and the extent and quality of the environment have been thoroughly documented in the SPD.

Sustainable development is about ensuring a better quality of life for everyone, both now and for future generations – including greater prosperity with less environmental damage, and improving the efficiency in the use of natural resources. The environmental strands of sustainable development necessitate the consideration of global issues such as climate change, and biodiversity conservation as well as more local issues.

The rationale behind this Priority is to ensure that wherever possible Programme activities strengthen the environmental assets while securing economic benefits, and that Programme resources are used to take up the economic opportunities that capitalise on regional environmental strengths -- i.e. the environment is used as an economic driver.

### PRIORITY OBJECTIVE

The Environmental Profile in the SPD outlined the character and quality of the Region's environment, the issues facing the environment, and the key opportunities for the Programme to integrate the environment and the economy together, and indicators for tracking the environment of the Region in which the Programme will operate. It highlighted the need for the positive management of change through the development of appropriate skills (which themselves offer opportunities for business development); the prudent use of natural resources; the opportunity to capitalize on the growing markets for more environmentally smart goods, products and services; and protection and enhancement of the environment.

The quality of the environment is a major factor in regional economic development and business competitiveness. The integration of environmental protection and improvement, and the prudent use of natural resources into productive investment will help: ensure a rational use of economic resources; enhancement of economic performance and competitiveness; while maintaining and creating employment. The reduction in the pressures on the environment and resources is part of the competitiveness challenge – businesses need to create more value with less environmental impact – seizing opportunities to innovate and to enhance competitiveness. Moreover, environment related products, processes and services provide an additional opportunity for the Region as they are themselves a potential new source of prosperity and employment.

The environmental strategy for the Programme has three dimensions. These are:

- to ensure that the Programme does not support activities that are detrimental to the environment (preventative), but rather makes better use of resources;

- to support activities that actually improve the environment where this is linked to additional economic benefits such as bringing previously developed land back into productive use (curative),
- to take up new opportunities arising from a greater demand for environmental products, processes and services (opportunistic).

The Programme's Environment Priority objective:

*To ensure that the environment makes a positive contribution to the objectives of the Programme through the promotion and provision of support and the prioritisation of activities that explicitly address environmental issues and opportunities.*

## IMPLEMENTING THE STRATEGY

Although there is no direct financial allocation to the environment Priority, the strategy will be implemented through a series of operational objectives, which are clearly linked to the vertical Priorities and Measures and to the Programme management and implementation arrangements. This approach both clearly integrates the environmental strategy with the actual deployment of Structural Fund resources and actively promotes the linkages between them. Five operational objectives have been agreed and are set out below:

- *The first Operational Objective is:* to enable the protection and improvement of the environment.
- *The second Operational Objective is:* to promote the prudent use of natural resources.
- *The third Operational Objective is:* to take advantage of the business opportunities afforded by growing demands for environmental goods, processes and services.
- *The fourth Operational Objective is:* to increase the awareness of residents, businesses and visitors of the value and importance of the environment, where this also contributes to the realisation of the Measure objective.
- *The fifth Operational Objective is:* to actively promote environmental policies in all aspects of Programme management and implementation.

## Mechanisms

The key mechanisms for securing the operational objectives will be:

1. The awarding of up to 10% of the total project appraisal score for projects contributing to the operational objectives;
2. A pre-approval environmental appraisal for all projects of a total value of £4 million or greater, to ensure that environmental considerations have been taken into account,
3. Modulated grant rates for particular types of activity that contribute towards the operational objectives.
4. The provision of guidance and support to project applicants;

The justification for the higher rates of grant will be examined on a case by case basis.

## SUPPORT

The following support will be made available:

- ◆ Advice and guidance from a lead officer responsible for the Environment (either within the Secretariat and / or in a nominated organisation);
- ◆ Advice and guidance in relation to project development and good practice;

- ◆ Sign-posting to specialist advice where appropriate;

Environmental Sustainability guidance for projects likely to apply for Programme funding or those being delivered with Programme funding is available from the Partnership Office – 01872 241379 or see the Partnership website [www.objectiveone.com](http://www.objectiveone.com)

## IMPLEMENTATION

The Environment Cross-Cutting Priority will be realised through five operational objectives. The means by which these will be implemented are detailed below.

### Operational Objective 1

*The first Operational Objective is: to enable the protection and improvement of the environment.*

Enhancing local amenity, improving the quality of the built environment, and protecting and improving the natural and historic environmental assets that people need or value such as wildlife, landscapes and historic sites and buildings make an important contribution to sustainable development. The Programme offers opportunities for activities that strengthen the environmental assets while securing economic benefits.

OPERATIONAL OBJECTIVE 1: To enable the protection and improvement of the environment		
TARGETS		
Output	Measure	Programme Target
Projects that enable sustainable physical access to the natural, historic and built environments	Any appropriate Measure	10
Projects that enable sustainable management of the natural, historic and built environments	Any appropriate Measure	28
Number of Listed Buildings repaired / brought into re-use	Any appropriate Measure	20

### Operational Objective 2

*The second Operational Objective is: to promote the prudent use of natural resources.*

The promotion of sustainable regional development depends on an efficient use of natural resources, including energy. This an important part of the competitiveness challenge of creating more value with less environmental impact. This will include reducing the materials intensity of goods and services and improving the efficiency of resource use through such activities as better management of waste, increasing recycling, reducing pollution, ensuring the continued productivity of renewable resources, and bringing back into beneficial use of previously used land and buildings.

OPERATIONAL OBJECTIVE 2: To promote the prudent use of natural resources		
TARGETS		
Output	Measure	Programme Target
Area of Previously Developed Land (Brownfield) (hectares)	Any appropriate Measure	20ha
Number of environmentally sustainable buildings constructed	Any appropriate Measure	10
Businesses assisted to undertake environmental reviews	Any appropriate Measure	350
Number of redundant buildings refurbished (numbers)	Any appropriate Measure	20
Projects enabling the improved efficiency of resource use	Any appropriate Measure	25

### Operational Objective 3

*The third Operational Objective is: to take advantage of the business opportunities afforded by growing demands for environmental goods, processes and services.*

Environment-related products, processes, businesses and services provide an important opportunity as a source of prosperity and employment. The market is predicted to increase in size considerably both at a UK and a global level. The implementation of this objective will be managed in such a way as to maximise the positive environmental impact on Cornwall and the Isles of Scilly.

OPERATIONAL OBJECTIVE 3: To take advantage of the business opportunities afforded by growing demands for environmental goods, processes and services.		
TARGETS		
Output	Measure	Programme Target
Support for SMEs specialising in environment related products, processes and services	Any appropriate Measure	200
Support for SMEs specialising in renewable services and technology	Any appropriate Measure	50
Research facilities geared toward assisting businesses in environment related products and processes	Any appropriate Measure	4
Sustainable tourism initiatives	Any appropriate Measure	14
Non consumptive use of the environment (projects)	Any appropriate Measure	10

#### Operational Objective 4

*The fourth Operational Objective is: to increase the awareness of residents, businesses and visitors of the value and importance of the environment, where this also contributes to the realisation of the Measure objective.*

It is important that access to the environment is not just seen as a physical issue. Access should be enhanced through the provision of information and interpretation in the broadest sense to the widest possible audience, in particular the business community. An improved knowledge and understanding will enable better-informed decision making with respect to the environment, promote positive environmental conservation and natural resource management, and in the case of tourism improve the visitor experience and reducing visitor impact on the environment.

OPERATIONAL OBJECTIVE 4: To increase the awareness of residents, businesses and visitors of the value and importance of the environment, where this also contributes to the realisation of the Measure objective.		
TARGETS		
Output	Measure	Programme Target
Training linked to environment related products, processes, and services (beneficiaries)	Any appropriate Measure	600
Training in sustainable resource management (beneficiaries)	Any appropriate Measure	270
Environmental training (beneficiaries)	Any appropriate Measure	1500
Projects enabling environmental awareness activity	Any appropriate Measure	135

#### Operational Objective 5

*The fifth Operational Objective is: to actively promote environmental policies in all aspects of Programme management and implementation.*

There is the scope for the Programme itself to act as an exemplar, for example in the positive demonstration of the integration of environmental issues into the delivery of the Programme, including the dissemination of best practice.

OPERATIONAL OBJECTIVE 5: To actively promote environmental policies in all aspects of programme management and implementation	
Task/activity	Responsibility/target
Production and up-dating of environmental guidance for project sponsors	Secretariat on behalf of the PMC. Guidance up-dated at least annually
Organisation on a regular basis of workshops for project sponsors	Secretariat on behalf of the PMC. A minimum of two workshops per annum.
Inclusion of environmental representatives on the PMC	Secretariat. At least one environmental representative on the PMC.
Nominated lead officer within the Programme Secretariat for environmental matters	Secretariat
Prioritization of environmental activities within the appraisal system	Secretariat

Development and implementation of an environmental appraisal which identifies projects which would be harmful to the environment	Secretariat. All projects with a value of over £4m have to complete an environmental impact assessment. Gateway criteria applied to all projects.
Detailed reporting on the Environmental Priority in the Annual Report	Secretariat

## NATURA 2000

Section 2.6.4 of the Implementing Provisions to the Single Programming Document contained an undertaking for the UK Government to present a list of sites to be protected under the "Habitats" Directive (Article 4(1)) together with the scientific information by January 2001. The Government and the European Commission subsequently agreed a revision to this deadline.

The UK has also made an undertaking to provide "a formal guarantee that they will not allow sites to be protected under "Natura 2000" to deteriorate during operations part-financed by the Structural Funds. They also committed themselves to providing the Commission, in their programme complement for each Programme, with information about the steps they have taken to prevent the deterioration of sites to be protected under "Natura 2000".

With the transmission of sites on 29 January, 16 March, 11 May 2001, 3 August and 10 September the UK has now substantially completed the submission of revisions to its list of candidate special areas of conservation. Scientific debate is continuing on a small number of sites and, where these conclude in the affirmative, those sites will be submitted as soon as possible after that date, to accord with the Commission's timetable for discussions at the next Atlantic region meeting.

In line with its commitments and pending presentation of the remaining sites on its list, the United Kingdom will when completing its six-yearly report, required under Article 17 of the Habitats Directive, provide information about the measures that have been established to avoid cases of deterioration and/or disturbance of sites protected under Natura 2000.

The established measures are likely to continue to be applied for 2000-2006. Any changes in the measures' application will be reported by the UK Government to the Commission.

As part of the project selection process, applicants are required to inform the secretariat about any potential effects that their project will have on protected sites, and steps taken to ensure that no damage will be done. This is over and above the steps taken to integrate environmental sustainable development as a horizontal issue in the programme.

Where sites are under consideration for designation under the Habitats Directive and have not yet been submitted to the Commission, any applications on those sites will be referred to English Nature (or relevant body in Scotland, Wales or Northern Ireland) for confirmation that there will not be any adverse effects, before approval is given.

Projects subject to applications for Structural Funds support will be treated fully in accordance with article 6 of the Habitats Directive. If it is not possible to ascertain that the project will not adversely affect the site, it will be rejected unless there are imperative reasons of overriding public interest and compensatory measures are established to ensure the overall coherence of Natura 2000.

## COMMUNICATIONS ACTION PLAN

### 1.1 INTRODUCTION

Article 46 of the General Regulation governing the operation of the Structural Funds (1260/1999) and the Regulation on information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds (no 1159/2000) require that sufficient attention is given to the provision of information and publicity on the activities of the Funds. In order that this requirement is met, a dedicated communications plan should be prepared containing a rationale, aims and objectives, responsibilities and proposed actions.

This section of the Programme Complement provides an outline of communications actions proposed as part of the Programme. It complements the Communications Strategy embedded in the activities of the Objective One Partnership Office, and previously discussed by the Programme Monitoring Committee, as part of the continuing role of the Partnership Office throughout the life of the Programme.

It should be noted that although the European Secretariat is identified below as having responsibility for various aspects of communications in its role as Agent for the Managing Authority for the Programme overall, virtually all aspects of communications involve the wider partnership in some form. Moreover, under arrangements approved by the Programme Monitoring Committee, responsibility for communications strategy lies primarily with the Strategic Development Group, chaired by the South West Regional Development Agency, with day-to-day action delegated to the Objective One Partnership Office, who liaise closely with a wide range of partners, including the European Secretariat.

### 1.2 BACKGROUND AND RATIONALE

Information and publicity activity for the Objective One Programme is designed to meet three broad objectives

- ensure transparency for potential and final beneficiaries;
- increase awareness amongst the population of the contribution of the European Union, via the Structural Funds, to improving the economic and social well-being of the region concerned;
- and, through the above, and by adopting a more strategic approach, generate involvement in the development of projects from a wider range of partners, particularly the private sector

### 1.3 AIMS AND TARGET GROUPS

The aim of the information and publicity activities within the Communications Action Plan is to inform the target groups identified below of the opportunities afforded by joint assistance from the European and Member States. These target groups are:

- Partner and potential partner organisations and their staff, including public authorities and organisations, trade organisations and the private sector, social partners, non-governmental organisations including the voluntary sector and community groups, as well as those promoting equal opportunities and the environment, and project sponsors; together with
- Potential and actual end beneficiaries including SMEs.

In addition, the Plan is to inform:

- The general public, in particular about the role played by the European Union, in conjunction with the Member States, in activities supported and the results achieved.

## 1.4 STRATEGY AND ACTIONS

The Communications Action Plan is the framework within which information and publicity actions are carried out. In summary, these actions are:

- User- friendly summary of the SPD and Programme Complement;
- Guidance material;
- Workshops and briefing events;
- Newsletters, press briefings; and
- Website and Helpline.

### User- friendly Summary of the SPD and Programme Complement

The Objective One Single Programming Document is extremely detailed and not all of the information is relevant to the majority of those interested in the Programme. To assist individuals and organisations to develop an initial understanding of the Programme, its aims and objectives, and the types of activities it will support, there is a need to produce a user-friendly summary which can be circulated widely.

The European Secretariat will assume responsibility for the textual content. Key features of the summary will be examples of typical projects under each of the Programme measures. Contact details will also be provided for further information and guidance.

The user-friendly summary will, in particular, adopt the standard Commission explanation of the objective of each of the 4 Funds (ERDF, ESF, EAGGF and FIG) in common with other information and publicity actions. The SPD and the summary will be available on the Objective One web-site.

**Target Audience:** project sponsors and potential project sponsors, including the public authorities, community and voluntary groups, the private sector and organisations involved in equal opportunities and the environment.

**Responsibility:** European Secretariat/Objective One Partnership Office

**Relevant Funds:** ERDF, ESF, EAGGF, FIG

### Applicant Guidance

The complexity of the rules relating to Structural Funds can act as a barrier to new organisations and a disincentive for existing partners to participate in the Programme. In recognition of the need to assist project sponsors in the application process, a series of guidance notes for applicants have been produced by Government Office for the South West and the Objective One Partnership Office covering a number of topics, including the Cross Cutting Themes. These guidance notes are kept under constant review and are circulated widely amongst existing and potential project sponsors, and contributed to greater appreciation of the application process.

The guidance notes deal with all four funds - ERDF, ESF, EAGGF and FIG - making use of guidance and advice produced by the various European directorates as well as national Government Department material.

The guidance covers eligibility of applicants, eligibility of activities, application procedures and processes, the scoring and appraisal system, the management and decision making structures,

monitoring requirements and responsibilities, publicity requirements, definitions of indicators, guidance on setting targets and assessing the economic benefits of projects, and claims procedures.

A comprehensive contact list will also be produced featuring organisations both in and outside of the region.

**Target audience:** Potential and existing project applicants

**Responsibility:** European Secretariat/Objective One Partnership Office

**Relevant Funds:** ERDF, ESF, EAGGF, FIFG

### Events and Seminars

A number of successful events and seminars have been held covering areas such as project applications and project appraisal and scoring. These will be continued as required and will be aimed at individuals and organisations, in particular those with little experience of Structural Funds.

It is envisaged that seminars and workshops will continue to be organised by Priority, Fund, and sector, as appropriate. The precise number will be determined by demand. The most urgent need currently is for seminars that explain the restructured SPD and the continue drive for investment in quality projects. Target audiences will include the business community, particularly SMEs, to explain how the private sector can engage with the Programme, how the private sector can benefit and how they can get involved in projects and the establishment of funds. A series of business road shows were held through the first half of the Programme to encourage engagement with the private sector.

**Target audience:** the general public, project sponsors and potential project sponsors

**Responsibility:** European Secretariat/Objective One Partnership Office

**Relevant Funds:** ERDF, ESF, EAGGF, FIFG

### Newsletter

A feature of the Programme to date has been the production of the Programme "Quarterly Review" containing a range of information, features, articles on the use of Structural Funds and financial tables detailing the investment across Cornwall and the Isles of Scilly. Weekly Communications Updates are widely circulated as well as Weekly Briefings on approved projects to the media. It is proposed to build upon the success of this during the lifetime of the Programme.

The newsletters will seek to publicise the activities of the Programme to the widest possible audience, whilst remaining informative and helpful to applicants and potential applicants. Identifying good practice examples will again remain a theme.

The newsletters will be distributed via partner organisations, and also made available through public libraries, Citizens and Community Advice Centres, and distributed directly to all Parish and community councils.

**Target audience:** the general public, project sponsors and potential project sponsors

**Responsibility:** European Secretariat/Objective One Partnership Office

**Relevant Funds:** ERDF, ESF, EAGGF, FIFG

## Web-Site and Freephone Telephone Helpline

The Information Society has been identified as a cross-cutting Priority in the Cornwall and Isles of Scilly Objective One Programme. The Partnership are committed, amongst a number of activities, to usage of the internet to publicise the activities and achievements of the Programme. Given the significant growth in the number of people using the internet, this medium has been a key opportunity to raise awareness of the Objective One Programme amongst a significant proportion of the population.

The Programme seeks to continue and further develop its website [www.objectiveone.com](http://www.objectiveone.com) and encourages partner contributions. Areas on the website include: latest news; cross-cutting themes; grants & loans; financial highlights; media releases; your area; publications; links; directory; project lists; task forces; and FAQs (frequently asked questions). There is a search facility to enable easy access to information, as well as specific facilities for the visually impaired.

The Objective One Partnership Office has established an Objective One Freephone Helpline, ensuring that enquirers get speedy and accurate advice on the programme and feed-back on project ideas, working with the European Secretariat, and, where appropriate, referring potential project applicants to Task Forces or sector bodies.

**Target audience:** the general public, project sponsors and potential project sponsors

**Responsibility:** European Secretariat/Objective One Partnership Office

**Relevant Funds:** ERDF, ESF, EAGGF, FIG

## Enhanced Annual Report

The new Regulations require a more detailed Annual report. The Annual report will be a technical document.

**Target audience:** European Community and Key Programme Partners

**Responsibility:** European Secretariat/Objective One Partnership Office

**Relevant Funds:** ERDF, ESF, EAGGF, FIG

## Nominated Publicity Officer

There is a requirement for the European Secretariat to inform the media in the most appropriate way about the structural assistance part-financed by the EU which is balanced and reflects Programme priorities. The nominated publicity officer based in the Objective One Partnership Office will therefore be responsible for alerting the regional (and national) press, radio and television. Given the objective is to keep informed the general public, other means may also be used, such as placing newspaper articles and posting information on the web-site.

The publicity officer will also be responsible for overseeing the other activities contained in the Communication Action Plan. The Director of the Objective One Partnership Office, which has day-to-day responsibility for communications, working closely with the European Secretariat, will manage this function.

**Target audience:** the general public, project sponsors and potential project sponsors,

**Responsibility:** European Secretariat, but delegating responsibility to the Objective One Partnership Office, reporting to the Strategic Development Group, in relation to communications strategy development and implementation and media handling.

**Relevant Funds:** ERDF, ESF, EAGGF, FIG

## 1.5 Communications For Each Fund

Each of the Funds have different objectives, and are targeted at different groups. It is important that each of these groups are specifically targeted by the Communications Plan. Within these funds there will also be specific needs relating to individual sectors or themes (for example the three cross-cutting themes of environmental sustainability, equal opportunities and ICT). Action under this plan will be tailored to these specific audiences.

**ERDF:** provision will be made within the Guidance for ERDF and in particular advice for SMEs, where appropriate bespoke SME guidance has and will continue to be made available. Within the events and seminar programme, events staged specifically at the business community will continue to be organised. The newsletter will be distributed to private sector representative organisations and a wide range of business advisors, and each newsletter will include material directly relevant to SMEs. The web site and freephone telephone help line will continue to be marketed to SMEs, and those dealing with the help line will be given training on how to deal with SME requests.

**ESF:** provision will be made within the Guidance for ESF and in particular advice for SMEs and individuals, particularly those from disadvantaged groups. Where appropriate bespoke guidance will be made available. Within the events and seminar programme events aimed specifically at encouraging the development of projects aimed at all groups in the labour market will be organised. The newsletter will be distributed to training providers and those involved in guidance and counselling and each newsletter will include material directly relevant to a wide variety of groups. The web site and freephone telephone help line will continue to be organised to ensure that individuals can be sign posted on to appropriate advisory and support agencies.

**EAGGF:** provision will be made within the Guidance for EAGGF and in particular advice for farmers, the farming community, land-based industries and the food-processing industry. Where appropriate bespoke guidance will be made available. Within the events and seminar programme events aimed specifically at informing the groups above of the opportunities offered by the Programme. The newsletter will be distributed to farming organisations, producer groups and co-operatives and agricultural and business advisors. Each newsletter will include material directly relevant to agriculture. The web site and freephone telephone help line will be organised to ensure that agricultural enquiries can be sign posted on to appropriate advisory and support agencies. The Cornwall Agricultural Development Team will continue to play a key role in this activity for EAGGF.

**FIG:** provision will be made within the Guidance for ESF and in particular advice for the fishing industry and fishing communities. Where appropriate bespoke guidance will be made available. Within the events and seminar programme events aimed specifically at informing the fishing industry of the opportunities offered by the Programme. The newsletter will be distributed to producer groups and co-operatives and industry and business advisors. Each newsletter will include material directly relevant to fishing. The web site and freephone telephone help line will be organised to ensure that fishing related enquiries can be sign posted on to appropriate advisory and support agencies. SW Pesca will continue to play a key role in this activity for FIG.

## 1.6 Evaluation

The Objective One Partnership Office will be responsible for collating statistics with regard to the various elements of the Communications Action Plan. This will include number of publications produced and distributed, number and types of organisations attending events, number of enquiries

dealt with by the help line, media analysis and register of consultation meetings. This information will be used as the baseline for the interim evaluation to assess fully the effectiveness of the Communication Action Plan.

## 1.7 Implementation

The European Secretariat is ultimately responsible for ensuring that the implementation of the communications action plan is carried out. However, under the management arrangements agreed by the PMC for handling communications strategy, the Strategic Development Group take primary responsibility for communications strategy and implementation, with day-to-day co-ordination devolved to the Objective One Partnership Office. As agreed by the Programme Monitoring Committee the Partnership Office will use consultants to provide a strategic steer and advice for the successful delivery of the Communications Action Plan.

### Responsibilities of Project Sponsors

The new Commission Guidance outlines in detail the arrangements for publicity and promotion required of project sponsors. The Government Office for the South West will provide a user friendly guide to assist project sponsors meet these requirements. The Government Office will also take responsibility for ensuring that projects sponsors adhere to the guidelines. Projects sponsors will have to agree to meet the publicity requirements as a condition of grant, and suitable text will be inserted in each grant offer letter. The Objective One Partnership Office and European Secretariat are also working together to ensure that there is effective co-ordination of publicity associated with individual projects. This is to encourage a consistent message about the Objective One Programme and better co-ordination between programme management and project sponsors. A protocol for sponsors is currently in preparation. During the second half of the Programme there will be increased efforts to encourage the use of the Objective One Partnership logo to complement the formal branding in order to enhance the visibility and ownership of the benefits provided by this European funding.

## INDICATIVE MONITORING AND EVALUATION INDICATORS

(from Commission's Working Paper No. 3)

This Annex identifies the range of indicators that are relevant to the Cornwall and Scilly Objective 1 SPD. The sources for this Annex are:

- ◆ Cornwall & Isles of Scilly Objective 1 SPD
- ◆ The new programming period 2000-2006: methodological working papers -Working Paper 3 Indicators for Monitoring and evaluation: An indicative methodology

*These indicators have been tested for their appropriateness in the development of the Programme Complement, and where relevant, have been used to provide quantified targets at the Measure level. The indicators and targets will be approved by the PMC*

Objective 1 Measure	Field of Intervention	Output	Result	Impact
<b>Priority 1 SME and Micro-Business Support</b>				
1.1 Creating the Economic Conditions for Competitive SMEs and Businesses	161 Investment in physical capital 164 Shared Business services (business estates, incubator units etc.) 171 Physical Investment (Tourism) 183 RTDI Infrastructure 351 Upgrading and Rehabilitation of industrial and military sites	<ul style="list-style-type: none"> <li>┃ Ha of industrial sites made available</li> <li>┃ Number of projects receiving financial assistance</li> <li>● Specialist support centres</li> <li>● Floorspace constructed/refurbished (m2)</li> <li>● Premises up-graded for ICT infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>┃ Direct private investment in financially supported firms (in Meuro and % of total investment)</li> <li>┃ Satisfaction rate of beneficiaries (male/female)</li> </ul>	<ul style="list-style-type: none"> <li>┃ Increase in value added after 18 months (%)</li> <li>┃ Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> <li>┃ Regional firms of which SMEs as a % of suppliers to assisted businesses after 18 months ("knock-on effects")</li> </ul>
1.2 Financial Engineering for SMEs	155 Financial Engineering 165 Financial Engineering	<ul style="list-style-type: none"> <li>● Number/volume of guarantee funds receiving financial support</li> <li>● Number of leasing operation schemes receiving operational support</li> <li>● Number of firms/new starts assisted with financial support</li> </ul>	<ul style="list-style-type: none"> <li>┃ Number of companies satisfied with funding provided</li> </ul>	<ul style="list-style-type: none"> <li>┃ Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> </ul>
1.3 Developing Competitive SMEs	154 Services to stakeholders 163 Business Advisory services (information, business planning etc.)	<ul style="list-style-type: none"> <li>┃ Number of SMEs (Men/Women owners) receiving advisory services<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>┃ Number of SMEs becoming new exporters</li> <li>┃ Number of SMEs exporting to new markets</li> <li>┃ % SMEs satisfied with services provided</li> </ul>	<ul style="list-style-type: none"> <li>┃ % export sales<sup>2</sup> in turnover of assisted SMEs after 18 months</li> <li>┃ Increase in value added generated after 18 months</li> <li>┃ Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> </ul>
1.4 Processing and Marketing of Quality Agricultural Products	1309 Development and Improvement of infrastructure connected with the development of agriculture	<ul style="list-style-type: none"> <li>┃ Number of projects granted assistance</li> <li>┃ Number of agricultural SMEs assisted</li> </ul>		
1.5 Supporting the New Entrepreneur	161 Investment in physical capital	<ul style="list-style-type: none"> <li>┃ Number of SMEs receiving financial</li> </ul>	<ul style="list-style-type: none"> <li>┃ New/increased sales in SMEs (Meuro)</li> </ul>	<ul style="list-style-type: none"> <li>┃ Survival rate<sup>3</sup> of new SMEs receiving</li> </ul>

<sup>1</sup> A minimum of definition of assistance is required to avoid five-minute conversations with businesses being counted as support. Within the framework of UK objective 2 programmes, "assistance" is set a minimum of 5 days of support, or its financial equivalent (#3500 ECU).

<sup>2</sup> Export sales are defined as the value of all sales and contracts by businesses to consumers, companies and organisations outside the region concerned. A further indicator may be the value of sales beyond the country concerned.

<sup>3</sup> The survival rate is the proportion of new businesses that are still trading after 18 months. This is beyond the normal subsidy period and is sufficient to gauge whether or not the business is basically viable.

	163 Business Advisory Services (information, business planning etc.)	<ul style="list-style-type: none"> <li>support (Men/Women owners)</li> <li>Number of new SMEs receiving financial support (Men/Women owners)</li> </ul>	<ul style="list-style-type: none"> <li>Direct private investment in financially supported firms (in Meuro and % of total investment)</li> <li>number of women project owners in private projects (% of total)</li> </ul>	<ul style="list-style-type: none"> <li>financial support still in business after 18 months (%)</li> <li>Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> <li>Increase in turnover of firms having received financial support after two years</li> </ul>
1.6 Developing sectors with growth potential	152 Environmental friendly technologies clean and economical energy technologies 162 Environment-friendly technologies 161 Investment in physical capital 163 Business Advisory Services (information, business planning etc.)	<ul style="list-style-type: none"> <li>Number of SMEs receiving financial support (Men/Women owners)</li> <li>Number of new SMEs receiving financial support (Men/Women owners)</li> </ul>	<ul style="list-style-type: none"> <li>New/increased sales in SMEs (Meuro)</li> <li>Direct private investment in financially supported firms (in Meuro and % of total investment)</li> <li>number of women project owners in private projects (% of total)</li> </ul>	<ul style="list-style-type: none"> <li>Survival rate<sup>4</sup> of new SMEs receiving financial support still in business after 18 months (%)</li> <li>Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> <li>Increase in turnover of firms having received financial support after two years</li> </ul>
1.7 New Employment Opportunities	24 Workforce, flexibility, entrepreneurial activity, innovation, information and communication technology	<ul style="list-style-type: none"> <li>No of employees in training programmes</li> <li>No of SMEs reached receiving financial support for training</li> <li>No of beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Increase in SMEs training budget (% increase)</li> </ul>	<ul style="list-style-type: none"> <li>Number of beneficiaries (persons) having launched a business after 2 years (Men/Women)</li> <li>Increase in value added after 18 months</li> <li>Rise in worker productivity as a result of raised skill levels (% increase in turnover / employee)</li> <li>Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> </ul>
<b>PRIORITY 2: STRATEGIC INVESTMENTS</b>				
2.1 Strategic Sites and Premises	151 Investment in physical capital 152 Environmental-friendly technologies 153 Business advisory services 154 Services to stakeholders 351 Upgrading and rehabilitation of industrial sites	<ul style="list-style-type: none"> <li>Number of large businesses receiving financial support</li> <li>Hectares of serviced land</li> <li>Constructed/ refurbished floorspace (m<sup>2</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>Direct private investment in financially supported firms (in Meuro and % of total investment)</li> <li>Floor space constructed / refurbished (m<sup>2</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> <li>Increase in turnover of firms that have received financial support after two years (%)</li> </ul>
2.2 Employment Growth Centres	151 Investment in physical capital 152 Environmental-friendly technologies 153 Business Advisory Services 154 Services to stakeholders	<ul style="list-style-type: none"> <li>Number of large businesses receiving financial support</li> </ul>	<ul style="list-style-type: none"> <li>Direct private investment in financially supported firms (in Meuro and % of total investment)</li> <li>Floor space constructed / refurbished (m<sup>2</sup>)</li> </ul>	<ul style="list-style-type: none"> <li>Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> <li>Increase in turnover of firms that have received financial support after two years (%)</li> </ul>
2.3 Embedding the benefits of new investment Transferred to Measure 2.5				
2.4 Strategic Regional Infrastructure	311 Rail 313 Road 314 Airports 315 Ports 317 Urban Transport 318 Multimodal Transport 322 Information and	<ul style="list-style-type: none"> <li>Number of ports and harbours upgraded</li> </ul>	<ul style="list-style-type: none"> <li>Increase in number of containers per year</li> <li>Reduction of waiting time of ships before docking (%)</li> <li>Reduction of turnaround time of vessels</li> </ul>	<ul style="list-style-type: none"> <li>Increase in traffic flow of passengers/vehicles/freight after one year (%)</li> <li>Environmental impact (% increase/decrease)</li> <li>Gross/net employment created or safeguarded</li> </ul>

<sup>4</sup> The survival rate is the proportion of new businesses that are still trading after 18 months. This is beyond the normal subsidy period and is sufficient to gauge whether or not the business is basically viable.

	Communication Technology		<ul style="list-style-type: none"> <li>┆ Increase of number of shipping lines calling in the port</li> <li>┆ Reduction of average import dwell time</li> <li>┆ Reduction of turnaround time of road vehicles</li> </ul>	after 2 years (number and % of total jobs)
2.5 Strategic Investments	151 Investment in physical capital 152 Environmental-friendly technologies 153 Business advisory services 154 Services to stakeholders 351 Upgrading and rehabilitation of industrial sites 163 Business advisory services	<ul style="list-style-type: none"> <li>┆ Number of large businesses receiving financial support</li> <li>┆ Hectares of serviced land</li> <li>┆ Constructed/ refurbished floorspace (m<sup>2</sup>)</li> <li>┆ Number of SMEs (Men/Women owners) receiving advisory services)</li> </ul>	<ul style="list-style-type: none"> <li>┆ Direct private investment in financially supported firms (in Meuro and % of total investment)</li> <li>┆ Floor space constructed / refurbished (m<sup>2</sup>)</li> <li>● Number of SMEs becoming new exporters</li> <li>● Number of SMEs exporting to new markets</li> <li>┆ % of SMEs satisfied with services provided</li> </ul>	<ul style="list-style-type: none"> <li>┆ Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> <li>┆ Increase in turnover of firms that have received financial support after two years (%)</li> <li>● % of export sales in turnover of assisted SMEs after 18 months</li> <li>● Increase in value added generated after 18 months</li> <li>┆ Gross/ net employment created or safeguarded after 2 years (number and % of total jobs)</li> </ul>
2.6 Micro Business Workspace Development	161 Investment in Physical Capital	<ul style="list-style-type: none"> <li>┆ Number of SMEs receiving financial support (Men/Women owners)</li> <li>┆ Number of new SMEs receiving financial support (Men/Women owners)</li> </ul>	<ul style="list-style-type: none"> <li>┆ New/increased sales in SMEs (Meuro)</li> <li>┆ Direct private investment in financially supported firms (in Meuro and % of total investment)</li> <li>┆ Number of women project owners in private projects (% of total)</li> </ul>	<ul style="list-style-type: none"> <li>┆ Survival rate<sup>5</sup> of new SMEs receiving financial support still in business after 18 months (%)</li> <li>┆ Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> <li>┆ Increase in turnover of firms having received financial support after two years</li> </ul>
2.7 The Knowledge Driven Region	183 RTDI Infrastructure 322 Information and Communication Technology 324 Services and applications for SMEs	<ul style="list-style-type: none"> <li>┆ Surface area made available (Ha)</li> <li>┆ Floor space constructed / refurbished (m<sup>2</sup>)</li> <li>┆ Number of joint services created</li> </ul>	<ul style="list-style-type: none"> <li>┆ Number of R&amp;D jobs created (FTEs Men/Women)</li> <li>┆ Number of SMEs having access to joint services</li> </ul>	<ul style="list-style-type: none"> <li>┆ Number of small firms established in park (after one year)</li> <li>┆ Number of small high-tech firms established in park (after one year)</li> <li>┆ Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> </ul>

**PRIORITY 3: DEVELOPING PEOPLE**

3.1 Active Labour Market Policies	21 Labour market policy: Assistance to persons Assistance to structure and systems  323 ICT services & applications for the citizen  22 Social Inclusion  Assistance to persons (pathways to integration, integrated measures, specific training measures)  Assistance to structures and systems	<ul style="list-style-type: none"> <li>┆ Number of beneficiaries</li> <li>┆ Number of places offered</li> <li>┆ Number of trained trainers</li> <li>┆ Number of projects</li> <li>┆ Number of beneficiaries</li> <li>┆ Number of local initiative projects</li> <li>┆ Number of projects</li> </ul>	<ul style="list-style-type: none"> <li>┆ Placement rate of beneficiaries into employment (%).</li> <li>┆ Unemployed making use of supplementary advisory services (%)</li> <li>┆ Increase in the coverage ratio of the reference population (%)</li> <li>┆ Increase in duration of work experience (average/ beneficiary)</li> <li>┆ Raising of qualifications (number of beneficiaries having obtained a diploma or certificate)</li> <li>┆ Satisfaction rate of</li> </ul>	<ul style="list-style-type: none"> <li>┆ Placement rate of the beneficiaries after 1 year</li> <li>┆ Unemployment reduction of target population (%)</li> <li>┆ Placement rate of the beneficiaries after 1 year.</li> <li>┆ Placement rate of the beneficiaries after 1 year</li> <li>┆ Unemployment reduction of target employment (%)</li> <li>┆ Sustainability of associations (% still</li> </ul>
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<sup>5</sup> The survival rate is the proportion of new businesses that are still trading after 18 months. This is beyond the normal subsidy period and is sufficient to gauge whether or not the business is basically viable.

			<ul style="list-style-type: none"> <li>  beneficiaries</li> <li>  Number of associations of socio-economic partners within the framework of territorial pacts created</li> <li>  Increase in the coverage ratio of the reference population</li> </ul>	<ul style="list-style-type: none"> <li>  existing 2 years after end of support)</li> </ul>
3.2 Learning for competitive business and for enterprise – adaptability and entrepreneurship	<p>24 Workforce Flexibility, entrepreneurial activity, innovation, information and communications technology</p> <p>Assistance to persons</p> <p>Assistance to structures and systems</p>	<ul style="list-style-type: none"> <li>● Number of employees in training programmes (type, duration)</li> <li>● Number of SMEs reached receiving financial support training (size, type, duration)</li> <li>● Number of beneficiaries</li> <li>● Number of counselling services offered to SMEs</li> <li>● Number of projects</li> </ul>	<ul style="list-style-type: none"> <li>  Increase in SMEs training budget (% increase)</li> </ul>	<ul style="list-style-type: none"> <li>● Number of beneficiaries (persons) having launched a business after 2 years (Men/ Women)</li> <li>● Increase in value added after 18 months</li> <li>● Rise in worker productivity as a result of raised skill levels (%increased in turnover/ employee)</li> <li>● Gross/ net employment created/ safeguarded (number and % of total jobs)</li> </ul>
3.3 Lifelong Learning	<p>23 Developing educational and vocational training (persons, firms)</p> <p>Assistance to structures and systems</p> <p>323 ICT services &amp; applications for the citizen</p>	<ul style="list-style-type: none"> <li>● Number of training places created (hours, days)</li> <li>● Number of projects</li> <li>● Number of trainers/ counsellors having raised their qualifications</li> </ul>	<ul style="list-style-type: none"> <li>  Increase in the coverage ratio of the reference population (%)</li> </ul>	<ul style="list-style-type: none"> <li>  Diminution of early school leavers (%)</li> <li>  Increase in target population qualifications (%)</li> </ul>
3.4 Promoting Social Inclusion	<p>22 Social Inclusion</p> <p>Assistance to persons (pathways to integration, integrated measures, specific training measures)</p> <p>Assistance to structures and systems</p>	<ul style="list-style-type: none"> <li>  Number of beneficiaries</li> <li>  Number of local initiative projects</li> <li>  Number of projects</li> </ul>	<ul style="list-style-type: none"> <li>  Increase in duration of work experience (average/ beneficiary)</li> <li>  Raising of qualifications (number of beneficiaries having obtained a diploma or certificate)</li> <li>  Satisfaction rate of beneficiaries</li> <li>  Number of associations of socio-economic partners within the framework of territorial pacts created</li> <li>  Increase in the coverage ratio of the reference population</li> </ul>	<ul style="list-style-type: none"> <li>  Placement rate of the beneficiaries after 1 year</li> <li>  Unemployment reduction of target employment (%)</li> <li>  Sustainability of associations (% still existing 2 years after end of support)</li> </ul>
3.5 Increasing the participation of women	<p>25 Positive Labour Market Actions for women</p> <p>Assistance to persons (career progression of women, entrepreneurship among women)</p> <p>Assistance to structures and systems</p>	<ul style="list-style-type: none"> <li>● Number of beneficiaries</li> <li>● Amounts of business grants/ loans (aver/ beneficiary)</li> <li>● Number of hours spent in "specific action" - training</li> <li>  Number of awareness raising events</li> <li>  Number of new networks supported</li> <li>  Number of projects</li> </ul>	<ul style="list-style-type: none"> <li>● Placement rate of beneficiaries into employment (%)</li> <li>● Proportion of target population having participated in "specific actions"</li> </ul>	<ul style="list-style-type: none"> <li>● Increase in female activity rates in the labour market (%)</li> <li>● Increase in female employment rates in the labour market after 1 year)</li> <li>● Increase of women/ men employed in male/ female dominated sectors and occupations after 2 years (%)</li> <li>● Sustainability of networks (% still existing 2 years after end of support)</li> </ul>
3.6 Infrastructure for Learning	<p>181 Research projects based in universities and research institutes</p> <p>182 Innovation and technology transfers</p> <p>183 RTDI Infrastructure</p>	<ul style="list-style-type: none"> <li>  Number of firms receiving financial support for RTDI projects and technology purchase</li> <li>  Number of</li> </ul>	<ul style="list-style-type: none"> <li>  Number of local enterprises involved in supported joint research projects (of which SMEs)</li> <li>  Increase of investment in RDTI by enterprises</li> </ul>	<ul style="list-style-type: none"> <li>  Number of collaborative arrangements between research institutions and assisted firms after one year</li> <li>  Number of regional</li> </ul>

		<ul style="list-style-type: none"> <li>advice/training sessions</li> <li>Number of SMEs assisted</li> <li>Number of collaborative projects between firms and research institutions supported</li> </ul>	<ul style="list-style-type: none"> <li>involved in joint projects.</li> <li>% SMEs satisfied with the service</li> </ul>	<ul style="list-style-type: none"> <li>enterprises involved declaring positive spin-offs after 18 months (of which SMEs)</li> <li>Number of assisted firms purchasing patents, licenses or involved in collaborative projects (after one year)</li> <li>Number of new products/processes marketed by firms receiving financial support</li> <li>Value added generated after two years</li> <li>Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> </ul>
3.7 New Employment Opportunities	<p>24 Workforce Flexibility, entrepreneurial activity, innovation, information and communications technology</p> <p>Assistance to persons</p>	<ul style="list-style-type: none"> <li>Number of employees in training programmes (type, duration)</li> <li>Number of SMEs reached receiving financial support for training (size, type, duration)</li> <li>Number of beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Increase in SMEs training budget (% increase)</li> </ul>	<ul style="list-style-type: none"> <li>Number of beneficiaries (persons) having launched a business after 2 years (Men/Women)</li> <li>Increase in value added after 18 months</li> <li>Rise in worker productivity as a result of raised skill levels (% increase in turnover / employee)</li> <li>Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> </ul>
3.8 Using Active Labour Market Policies to promote Social Inclusion	<p>21 Labour market policy: Assistance to persons Assistance to structure and systems</p> <p>323 ICT services &amp; applications for the citizen</p> <p>22 Social Inclusion</p> <p>Assistance to persons (pathways to integration, integrated measures, specific training measures)</p> <p>Assistance to structures and systems</p>	<ul style="list-style-type: none"> <li>Number of beneficiaries</li> <li>Number of places offered</li> <li>Number of trained trainers</li> <li>Number of projects</li> <li>Number of beneficiaries</li> <li>Number of local initiative projects</li> <li>Number of projects</li> </ul>	<ul style="list-style-type: none"> <li>Placement rate of beneficiaries into employment (%).</li> <li>Unemployed making use of supplementary advisory services (%)</li> <li>Increase in the coverage ratio of the reference population (%)</li> <li>Increase in duration of work experience (average/ beneficiary)</li> <li>Raising of qualifications (number of beneficiaries having obtained a diploma or certificate)</li> <li>Satisfaction rate of beneficiaries</li> <li>Number of associations of socio-economic partners within the framework of territorial pacts created</li> <li>Increase in the coverage ratio of the reference population</li> </ul>	<ul style="list-style-type: none"> <li>Placement rate of the beneficiaries after 1 year</li> <li>Unemployment reduction of target population (%)</li> <li>Placement rate of the beneficiaries after 1 year.</li> <li>Placement rate of the beneficiaries after 1 year</li> <li>Unemployment reduction of target employment (%)</li> <li>Sustainability of associations (% still existing 2 years after end of support)</li> </ul>
3.9 Research and Knowledge	<p>24 Workforce Flexibility, entrepreneurial activity, innovation, information and communications technology</p> <p>Assistance to persons</p> <p>Assistance to structures and systems</p>	<ul style="list-style-type: none"> <li>Number of employees in training programmes (type, duration)</li> <li>Number of SMEs reached receiving financial support training (size, type, duration)</li> <li>Number of beneficiaries</li> <li>Number of counselling services offered to SMEs</li> </ul>	<ul style="list-style-type: none"> <li>Increase in SMEs training budget (% increase)</li> </ul>	<ul style="list-style-type: none"> <li>Number of beneficiaries (persons) having launched a business after 2 years (Men/ Women)</li> <li>Increase in value added after 18 months</li> <li>Rise in worker productivity as a result of raised skill levels (%increased in turnover/ employee)</li> </ul>

		<ul style="list-style-type: none"> <li>● Number of projects</li> </ul>		<ul style="list-style-type: none"> <li>● Gross/ net employment created/ safeguarded (number and % of total jobs)</li> </ul>
<b>PRIORITY 4: COMMUNITY ECONOMIC DEVELOPMENT AND RURAL SECTORAL ADJUSTMENT</b>				
4.1 Community Economic Development	<p>161 Investing in physical capital</p> <p>164 Shared business services</p> <p>166 Services in support of the social economy (providing care for dependants, health and safety, cultural activities)</p> <p>317 Urban Transport</p> <p>352 Rehabilitation of Urban Areas</p> <p>36 Social Infrastructure and Public Health</p>	<ul style="list-style-type: none"> <li>● Number of SMEs receiving financial support (Men/Women owners)</li> <li>● Number of new SMEs receiving financial support (Men/Women owners). Also:</li> <li>● Number of community enterprises established</li> <li>● Workspace provided (m2)</li> <li>● Learning centres established/ improved</li> <li>● Transport initiatives supported</li> </ul>	<ul style="list-style-type: none"> <li>● New/increased sales in SMEs (Meuro)</li> <li>● Direct private investment in financially supported firms (in Meuro and % of total investment)</li> <li>● Number of women project owners in private projects (% of total)</li> </ul>	<ul style="list-style-type: none"> <li>● Survival rate<sup>6</sup> of new SMEs receiving financial support still in business after 18 months (%)</li> <li>● Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> <li>● Increase in turnover of firms having received financial support after two years</li> </ul>
4.2 Area Based Pathways to Employment	<p>21 Labour Market policy</p> <p>22 Social Inclusion Assistance to persons Assistance to structures and systems</p> <p>23 Developing Educational and vocational training</p> <p>25 Positive labour market actions for women</p>	<ul style="list-style-type: none"> <li>● Number of beneficiaries</li> <li>● Number of local initiative projects</li> <li>● Number of projects</li> </ul>	<ul style="list-style-type: none"> <li>● Increase in duration of work experience (average/ beneficiary)</li> <li>● Raising of qualifications (number of beneficiaries having obtained a diploma or certificate)</li> <li>● Satisfaction rate of beneficiaries</li> <li>● Number of associations of socio-economic partners within the framework of territorial pacts created</li> <li>● Increase in the coverage ratio of the reference population</li> </ul>	<ul style="list-style-type: none"> <li>● Placement rate of the beneficiaries after 1 year</li> <li>● Unemployment reduction of target employment (%)</li> <li>● Sustainability of associations (% still existing 2 years after end of support)</li> </ul>
4.3–4.5 Investment in Agricultural Holdings, Training, Forestry, Promoting the Adaptation and Development of Rural Areas	<p>1309 Development and improvement of infrastructure connected with the development of agriculture</p>	<ul style="list-style-type: none"> <li>● Number of projects granted assistance</li> </ul>		
4.6 Promoting the Adaptation and Development of Rural Areas	<p>1306 Renovation and development of villages and protection and conservation of the rural heritage</p> <p>1309 Development and improvement of infrastructure connected with the development of agriculture</p>	<ul style="list-style-type: none"> <li>● m<sup>2</sup> of village squares/roads renewed</li> <li>● Number of buildings renewed</li> <li>● Number of projects receiving financial support</li> </ul>	<ul style="list-style-type: none"> <li>● Number of inhabitants living in the vicinity (less than 1 km) of renewed areas</li> <li>● Number of enterprises / shops installed in assisted areas</li> </ul>	<ul style="list-style-type: none"> <li>● Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> <li>● % inhabitants wishing to stay in the area in the next 5 years</li> </ul>
4.7 Structural adjustment in Fisheries	<p>142 Renewal and modernisation of the fishing fleet</p> <p>143 Processing, marketing and promoting of fisheries products</p> <p>144 Aquaculture</p> <p>145 Equipment of the fishing ports and protection of the coastal maritime zones</p> <p>147 Actions by professionals</p>	<ul style="list-style-type: none"> <li>● Tons/year of processed products</li> </ul>	<ul style="list-style-type: none"> <li>● Increase of processing capacity (%)</li> </ul>	<ul style="list-style-type: none"> <li>● Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> <li>● Value added per employee generated after 2 years</li> </ul>

<sup>6</sup> The survival rate is the proportion of new businesses that are still trading after 18 months. This is beyond the normal subsidy period and is sufficient to gauge whether or not the business is basically viable.

4.8 Community Regeneration	1309 Development and improvement of infrastructure connected with the development of agriculture 145 Equipment of the fishing ports and protection of the coastal marine zones 166 Services in support of the social economy (providing care for dependents, cultural activities) 33-36 Energy, Environment and Planning/ Rehabilitation – Scilly 151 Investment in physical capital (plant and equipment, co-financing of state aids)	<ul style="list-style-type: none"> <li>  Number of organizations and schemes receiving financial support</li> <li>  Number of community organizations that have had their project accepted</li> </ul>	<ul style="list-style-type: none"> <li>  % assisted organizations located in poor urban sub-areas or whose members live principally in poor urban sub-areas</li> <li>  Average interest rate offered in % of standard commercial rates</li> </ul>	<ul style="list-style-type: none"> <li>  Number of adults (men/women) active in assisted community organizations after one year</li> <li>  % of adults (men/women) active in assisted community organizations</li> <li>  Number of local inhabitants (men/women) using supported debt counselling and local credit schemes per year after one year</li> <li>  % users having succeeded in eliminating debts after one/three years</li> </ul>
4.9 Processing and Marketing of Quality Agricultural Products	1309 Development and Improvement of Infrastructure connected with the development of agriculture	<ul style="list-style-type: none"> <li>● Number of projects granted assistance</li> <li>● Number of agricultural SMEs assisted</li> </ul>		

**PRIORITY 5: REGIONAL DISTINCTIVENESS**

5.1 Securing the benefits from the arts, cultural and heritage industries	145 Equipment of the fishing ports and protection of the coastal marine zones 153 Business advisory services 171 Physical investment (tourism) 172 Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage) 173 Shared services for the tourism industry	<ul style="list-style-type: none"> <li>  Number of assisted businesses<sup>7</sup></li> <li>  Number of advisory services provided</li> </ul> <p>Also:</p> <ul style="list-style-type: none"> <li>● Centres of excellence</li> <li>● Marketing branding campaigns supported</li> </ul>	<ul style="list-style-type: none"> <li>  Number of businesses becoming new exporters</li> <li>  Number of businesses exporting to new markets</li> <li>  % businesses satisfied with services provided</li> </ul>	<ul style="list-style-type: none"> <li>  % export sales<sup>8</sup> in turnover of assisted businesses after 18 months</li> <li>  Increase in value added generated after 18 months</li> <li>  Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> </ul>
5.2 Enhancing and developing the public product	145 Equipment of the fishing ports and protection of the coastal maritime zones <i>166 Services in support of the social economy (providing care for dependents, cultural activities)</i> 171 Physical investment (tourism) 172 Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage) 351 Upgrading and rehabilitation of industrial sites 352 Rehabilitation of urban areas	<ul style="list-style-type: none"> <li>  Number of beds created or improved</li> <li>  Number of hotels developed/ upgraded</li> <li>  Number of attractions created / improved</li> <li>  New tourism businesses established (Men/Women owners)</li> </ul>	<ul style="list-style-type: none"> <li>  % of beds created or improved</li> <li>  Number of nights sold per year in assisted accommodation (after one year)</li> <li>  Satisfaction rate of clients (men/women in %)</li> </ul>	<ul style="list-style-type: none"> <li>  Value added generated per year (%)</li> <li>  Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> </ul>
5.3 The knowledge-driven region	183 RTDI Infrastructure 322 Information and Communication Technology 324 Services and applications for SMEs	<ul style="list-style-type: none"> <li>  Surface area made available (Ha)</li> <li>  Floor space constructed / refurbished (m<sup>2</sup>)</li> <li>  Number of joint services created</li> </ul>	<ul style="list-style-type: none"> <li>  Number of R&amp;D jobs created (FTEs Men/Women)</li> <li>  Number of SMEs having access to joint services</li> </ul>	<ul style="list-style-type: none"> <li>  Number of small firms established in park (after one year)</li> <li>  Number of small high-tech firms established in park (after one year)</li> </ul>

<sup>7</sup> A minimum of definition of assistance is required to avoid five-minute conversations with businesses being counted as support. Within the framework of UK objective 2 programmes, "assistance" is set a minimum of 5 days of support, or its financial equivalent (#3500 ECU).

<sup>8</sup> Export sales are defined as the value of all sales and contracts by businesses to consumers, companies and organisations outside the region concerned. A further indicator may be the value of sales beyond the country concerned.

				<ul style="list-style-type: none"> <li>█ Gross/net employment created or safeguarded after 2 years (number and % of total jobs)</li> </ul>
5.3 Research and Knowledge	<p>24 Workforce Flexibility, entrepreneurial activity, innovation, information and communications technology</p> <p>Assistance to persons</p> <p>Assistance to structures and systems</p>	<ul style="list-style-type: none"> <li>● Number of employees in training programmes (type, duration)</li> <li>● Number of SMEs reached receiving financial support training (size, type, duration)</li> <li>● Number of beneficiaries</li> <li>● Number of counselling services offered to SMEs</li> <li>█ Number of projects</li> </ul>	<ul style="list-style-type: none"> <li>█ Increase in SMEs training budget (% increase)</li> </ul>	<ul style="list-style-type: none"> <li>● Number of beneficiaries (persons) having launched a business after 2 years (Men/ Women)</li> <li>● Increase in value added after 18 months</li> <li>● Rise in worker productivity as a result of raised skill levels (%increased in turnover/ employee)</li> <li>█ Gross/ net employment created/ safeguarded (number and % of total jobs)</li> </ul>
5.5 Improving and Developing the Public Realm	<p>151 Investment in physical capital (plant and equipment, co-financing of state aids</p> <p>166 Services in support of the social economy (providing care for dependants, health and safety, cultural activities</p> <p>171 Physical Investment (tourism)</p> <p>172 Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage</p> <p>352 Rehabilitation of urban areas</p>	<ul style="list-style-type: none"> <li>█ Number of beds created or improved</li> <li>█ Number of hotels developed/upgraded</li> <li>█ Number of attractions created/improved</li> <li>█ New Tourism businesses established (men/women owners)</li> </ul>	<ul style="list-style-type: none"> <li>█ % of beds created or improved</li> <li>█ Number of nights sold per year in assisted accommodation (after one year)</li> <li>█ Satisfaction rate of clients (men/women in %)</li> </ul>	<ul style="list-style-type: none"> <li>█ Value added generated per year (%)</li> <li>█ Gross/Net employment created or safeguarded after 2 years (number and % of total jobs)</li> </ul>

## DEFINITION OF TARGETS USED IN THE PROGRAMME

The following table defines the various outputs used in the Priorities and Measures of the Programme.

### OUTPUTS

#### PRIORITY 1

Measure	Output	Definition
1.1	Specialist Support Centres	Number of Technology support centres based around key sectors identified under Measure 1.6
1.1	Refurbished Premises (sq m)	Upgrading of existing employment space with emphasis on developing ICT and technology infrastructure
1.2	Number of SMEs provided with financial support	SMEs receiving loans, equity investment and grants
1.2	Number of new start businesses provided with financial support/guidance	SMEs in existence under 18 months receiving mentoring advice directly linked to the provision of financial support
1.3	Number of SMEs provided with guidance/information support	Assistance with a value of less than £1,000. Must demonstrate added value
1.3	Number of joint initiatives/networks established	Number of linkages established involving more than one SME
1.4	Number of Agricultural SMEs assisted	Receiving 5 days or more substantive support, or more than £2,000 in value
1.4	Number of additional agricultural businesses supplying produce for new processing activities in the Objective 1 area	Businesses supplying new or improved processing activities, e.g. businesses supplied by 10 farms now supplied by 15, output = 5
1.4	Number of additional agricultural businesses supplying produce to regionally branded products	It must be clear from the branding that "Cornish" or "Isles of Scilly" is the key element
1.4	Number of new products marketed	The product must be new to the region not the applicant (Does not include new packaging, size or quantity)
1.5	Number of new starts assisted (with substantive support)	SMEs under 18 months from commencement of trading receiving consultancy/mentoring support for 5 days or £2,000 in value
1.6	Number of studies supported	Feasibility or risk assessment studies for new and emerging markets linked to priority sectors
1.6	Number of SMEs assisted (with substantive support)	Existing SMEs receiving 5 days worth of mentoring/consultancy or financial equivalent of £2,000
1.7	Number of employed people assisted with training	An individual in paid employment for a minimum of 16 hours per week who is provided with training or other help lasting 5 or more days or with a monetary value of £2,000 or more
1.7	Number of employed people supported	An individual in paid employment for a minimum of 16 hours per week who is provided with training or other help lasting less than 5 days (monetary value less than

		£2,000)
1.7	Number of economically inactive people supported	Individuals not working, or working less than 16 hours a week, provided with training or other help for less than 5 days (monetary value of less than £2,000)
1.7	Number of women beneficiaries	
1.7	Number of new start SMEs assisted	Individual beneficiaries assisted with training, advice or other help lasting for 5 days or more or with a monetary value of £2,000, in order to start up their own business
1.7	Number of SMEs assisted with training	An individual SME receiving 5 or more days of assistance or assistance to a monetary value of £2,000. Can include training needs analysis, consultancy support, business advice, training
1.7	Number of SMEs supported	An individual SME receiving less than 5 days of assistance (monetary value less than £2,000)
1.7	Number of beneficiaries working towards a qualification	An individual who has registered on a course which is accredited by an external organisation and will lead towards a recognised qualification e.g. NVQ.

## PRIORITY 2

Measure	Output	Definition
2.1 & 2.5	Hectares of serviced land taken up for development	Area of land used for construction of workspace or other employment use
2.1, 2.5 & 2.6	Sq m of premises supported	Provision of workspace and business space. Includes outputs for high quality premises (see below)
2.1	Number of development projects	Project encompassing range of activity designed to bring forward a specific strategic scheme
2.2	Number of Area Development Plans enabled by the Programme	Strategies for development specific to the key towns in Cornwall
2.2, 2.4 & 2.5	Number of Technical Studies	Project focusing on specialised investigations to determine deliverability of large scale infrastructure projects
2.4	Kilometres of railway track improved	Measures actual scale of improvement to railway track
2.4	Number of public transport services improved	Enhancement of public access to transport infrastructure
2.4	Area of region able to access broadband	Provision of ICT infrastructure enabling broadband connection
2.5	Subset: Sq m high quality premises	Workspace delivering high specification cross-cutting measures, inc. excellent BREEAM rating
2.5 & 2.6	Number of SMEs assisted	£2,000 or 5 days spent on provision of business support advice AND SMEs moving into units – including outputs from measure 1.1, 2.1 and 2.2.
2.7	Number of centres established	The construction of facilities for HE and/or FE providing access to new courses, the centres can be on existing education sites

## PRIORITY 3

General	Economically inactive beneficiary	An individual of working age who is not working, or is working less than 16 hours a week – they may be claiming JSA or some other social security benefit but they do not have to be. Someone who works only a few hours a week but wishes to increase their hours or change their employment may also qualify. Any query on beneficiary eligibility must be agreed with GOSW.
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3.1	Number of active labour market beneficiaries assisted	Unemployed or economically inactive people receiving guidance and support to improve their employability and vocational skills (there is no minimum time limit for the beneficiary's participation on the project)
3.1	Number of young people, economically inactive for less than 6 months	Aged 16 to 24, does not include those still at school or in further or higher education
3.1	Number of adults, economically inactive for less than 12 months	Aged 25 or above
3.1	Number of women beneficiaries	
3.2	Number of employees assisted	An individual in paid employment for a minimum of 16 hours per week who is provided with training or other help lasting 5 or more days or with a monetary value of £2,000 or more
3.2	Number of employees supported	An individual in paid employment for a minimum of 16 hours per week who is provided with training or other help lasting less than 5 days (monetary value less than £2,000)
3.2	Number of economically inactive beneficiaries assisted	Individuals not working, or working less than 16 hours a week, provided with training or other help lasting for 5 days or more or with a monetary value of £2,000 or more.
3.2	Number of economically inactive beneficiaries supported	Individuals not working, or working less than 16 hours a week, provided with training or other help for less than 5 days (monetary value of less than £2,000)
3.2	Number of managers given enterprise training	Managers of SMEs or owner/managers (ie at a senior level) assisted with training which is specifically related to business management or running a business and which will help become more competitive.
3.2	Number of women beneficiaries	
3.2	Number of SMEs assisted	An individual SME receiving 5 or more days of assistance or assistance to a monetary value of £2,000. Can include training needs analysis, consultancy support, business advice, training
3.2	Number of SMEs supported	An individual SME receiving less than 5 days of assistance (monetary value less than £2,000)
3.2	Number of new start SMEs assisted	Individual beneficiaries assisted with training, advice or other help lasting for 5 days or more or with a monetary value of £2,000, in order to start up their own business
3.2	Number of trainers assisted	Individuals assisted (for 5 days or more) to

		become trainers, e.g. as NVQ assessors or undertaking other recognised other recognised training qualifications
3.2	Number of research/labour market analysis projects	Projects, or elements within a larger project where ESF funding is provided for research or labour market analysis which will either inform the activity to be undertaken by this or subsequent projects, or which will inform the wider Objective 1 economic agenda
3.2	Number of school students supported	Aged between 14 and 19 and in school/full time education, provided with activities which will encourage a more work focused, entrepreneurial outlook and promote a positive attitude to enterprise and self employment.
3.3	Number of employed beneficiaries assisted	An individual in paid employment for a minimum of 16 hours per week who is provided with training or other help lasting less than 5 days (monetary value less than £2,000)
3.3	Number of employed beneficiaries supported	An individual in paid employment for a minimum of 16 hours per week who is provided with training or other help lasting less than 5 days (monetary value less than £2,000)
3.3	Number of economically inactive beneficiaries assisted	Individuals not working, or working less than 16 hours a week, provided with training or other help lasting for 5 days or more or with a monetary value of £2,000 or more.
3.3	Number of economically inactive beneficiaries supported	Individuals not working, or working less than 16 hours a week, provided with training or other help for less than 5 days (monetary value of less than £2,000)
3.3	Number of young people, economically inactive for less than 6 months	Aged 16 to 24, does not include those still at school or in further or higher education
3.3	Number of adults, economically inactive for less than 12 months	Aged 25 or above
3.3	Number of women beneficiaries	
3.3	Number of research/labour market analysis projects	Projects, or elements within a larger project where ESF funding is provided for research or labour market analysis which will either inform the activity to be undertaken by this or subsequent projects, or which will inform the wider Objective 1 economic agenda
3.3	Number of trainers assisted	Individuals assisted (for 5 days or more) to become trainers, e.g. as NVQ assessors or undertaking other recognised other recognised training qualifications
3.3	Number of capacity building projects	Improving and sustaining the capacity for community organisations to provide a route to the labour market for disadvantaged individuals
3.4	Number of economically inactive beneficiaries assisted with training	Individuals not working, or working less than 16 hours a week, provided with training or other help lasting for 5 days or more or with a monetary value of £2,000 or more.
3.4	Number of young people, economically inactive for less than 6 months	Aged 16 to 24, does not include those still at school or in further or higher education

3.4	Number of adults, economically inactive for less than 12 months	Aged 25 or above
3.4	Number of women beneficiaries	
3.4	Number of trainers assisted	Individuals assisted (for 5 days or more) to become trainers, e.g. as NVQ assessors or undertaking other recognised other recognised training qualifications
3.4	Number of capacity building projects	Improving and sustaining the capacity for community organisations to provide a route to the labour market for disadvantaged individuals
3.4	Number of research projects	Projects, or elements within a larger project where ESF funding is provided for research or labour market analysis which will either inform the activity to be undertaken by this or subsequent projects, or which will inform the wider Objective 1 economic agenda
3.5	Number of economically inactive women assisted with training to increase participation	Women not working, or working less than 16 hours a week, provided with training or other help lasting for 5 days or more or with a monetary value of £2,000 or more.
3.5	Number of employed women assisted	Women in paid employment for a minimum of 16 hours per week who is provided with training or other help lasting less than 5 days (monetary value less than £2,000)
3.5	Number of SMEs supported	An individual SME receiving less than 5 days of assistance (monetary value less than £2,000)
3.5	Number of research projects	Projects, or elements within a larger project where ESF funding is provided for research or labour market analysis which will either inform the activity to be undertaken by this or subsequent projects, or which will inform the wider Objective 1 economic agenda
3.7	Number of employees assisted	An individual in paid employment for a minimum of 16 hours per week who is provided with training or other help lasting less than 5 days (monetary value less than £2,000)
3.7	Number of employees supported	An individual in paid employment for a minimum of 16 hours per week who is provided with training or other help lasting less than 5 days (monetary value less than £2,000)
3.7	Number of managers given enterprise training	Managers of SMEs or owner/managers (ie at a senior level) assisted with training which is specifically related to business management or running a business and which will help become more competitive.
3.7	Number of women beneficiaries	
3.7	Number of SMEs assisted with training	An individual SME receiving 5 or more days of assistance or assistance to a monetary value of £2,000. Can include training needs analysis, consultancy support, business advice, training
3.7	Number of SMEs supported	An individual SME receiving less than 5 days of assistance (monetary value less than £2,000)
3.7	Number of new start SMEs assisted	Individual beneficiaries assisted with training, advice or other help lasting for 5

		days or more or with a monetary value of £2,000, in order to start up their own business
3.8	Number of economically inactive beneficiaries assisted	Individuals not working, or working less than 16 hours a week, provided with training or other help lasting for 5 days or more or with a monetary value of £2,000 or more.
3.8	Number of economically inactive beneficiaries supported	Individuals not working, or working less than 16 hours a week, provided with training or other help for less than 5 days (monetary value of less than £2,000)
3.8	Number of young people, economically inactive for less than 6 months	Aged 16 to 24, does not include those still at school or in further or higher education
3.8	Number of adults, economically inactive for less than 12 months	Aged 25 or above
3.8	Number of women beneficiaries	
3.8	Number of trainers assisted	Individuals assisted (for 5 days or more) to become trainers, e.g. as NVQ assessors or undertaking other recognised other recognised training qualifications
3.8	Number of capacity building projects	Improving and sustaining the capacity for community organisations to provide a route to the labour market for disadvantaged individuals
3.8	Number of research projects	Projects, or elements within a larger project where ESF funding is provided for research or labour market analysis which will either inform the activity to be undertaken by this or subsequent projects, or which will inform the wider Objective 1 economic agenda
3.9	Number of SMEs assisted	An individual SME receiving 5 or more days of assistance or assistance to a monetary value of £2,000. Can include training needs analysis, consultancy support, business advice, training
3.9	Number of graduates assisted	Graduate or post graduate students provided with work placements/experience, research opportunities or studentships, research grants etc lasting for 5 days or more or with a minimum value of £2,000
3.9	Number of research projects funded	Projects, or elements within a larger project where ESF funding is provided for research or labour market analysis which will either inform the activity to be undertaken by this or subsequent projects, or which will inform the wider Objective 1 economic agenda

#### PRIORITY 4

Measure	Output	Definition
4.1	Feasibility Studies undertaken	Feasibility study aimed at benefiting economically inactive residents of wards, e.g. to identify or to arrive at solutions for identified problems in targeted wards
4.1	Community groups supported	Support is wide ranging, e.g. provision of advice/guidance for support in running a Group where it is clear that the Group will not make a direct application to the

		Programme
4.1	Community Enterprises established	Establishment of community enterprise in targeted ward
4.1	Learning Centres (entry level) improved/established	Facility which provides range of training – aimed at engagement towards a more structured training provision
4.1	Community Facilities provided/improved	Facility to provide a range of non learning activities
4.1	Environmental improvements undertaken	Improvements (likely range £20k to £100k), linked to economically inactive residents
4.1	Transport Initiatives supported	Support (capital and/or revenue) to enable economically inactive access to training and/or employment opportunities
4.2	Number of economically inactive people assisted	Individuals not working, or working less than 16 hours a week, provided with training or other help lasting for 5 days or more or with a monetary value of £2,000 or more.
4.2	Number of economically inactive people supported	Individuals not working, or working less than 16 hours a week, provided with training or other help for less than 5 days (monetary value of less than £2,000)
4.2	Number of women beneficiaries assisted or supported	
4.2	Number of young people, economically inactive for less than 6 months	Aged 16 to 24, does not include those still at school or in further or higher education
4.2	Number of adults, economically inactive for less than 12 months	Aged 25 or above
4.2	Number of trainers assisted	Individuals assisted (for 5 days or more) to become trainers, e.g. as NVQ assessors or undertaking other recognised other recognised training qualifications
4.2	Number of capacity building projects	Improving and sustaining the capacity for community organisations to provide a route to the labour market for disadvantaged individuals
4.3	Number of agricultural enterprises assisted	Receiving 5 days or more substantive support, or more than £2,000 in value
4.3	Additional area of Miscanthus established (hectares)	For energy or other uses on a sustainable basis. Quantifiable area is the actual planted area.
4.3	Additional tonnage (odt) of Miscanthus produced per annum	Measurable when crop is fully established. For non energy uses, yields can be converted to ODT using recognised rates
4.4	Number of agricultural and other rural enterprises assisted	Receiving 5 days or more substantive support, or more than £2,000 in value
4.4	Number of people trained	Beneficiaries must receive a minimum of 5 days training, excluding training on statutory requirements, e.g. chainsaws, pesticides
4.5	Number of agricultural, forestry and other rural enterprises assisted	Receiving 5 days or more substantive support, or more than £2,000 in value
4.5	Number of additional woodland owners supplying produce for new adding value initiatives in the Objective 1 area	Businesses supplying new or improved processing activities, e.g. businesses supplied by 10 farms now supplied by 15, output = 5
4.6	Number of agricultural and other rural enterprises assisted	Receiving 5 days or more substantive support, or more than £2,000 in value
4.7	Boats upgraded	The number of different vessels which are

		normally based and working in Cornwall/Isles of Scilly which have been grant aided. Funding is available for the adoption of more sustainable catching methods, improving the quality of fish on board the vessel and improvements in crew comfort/working conditions.
4.7	Boats de-commissioned	The number of different vessels registered in the region which have been decommissioned as a result of receiving FIFG/Defra decommissioning grant.
4.7	Fishing Ports improved	The number of different ports which have been grant aided for infrastructure improvements which contribute to the general development of the port and which represent an improvement in the services offered to the fishing industry.
4.7	Aquaculture Units supported	The number of different companies which have been grant aided for capital investments for rearing fish or shellfish.
4.7	Processing Units improved	The number of different companies which have been grant aided for capital investments for the processing of fish or shellfish or the disposal of fish/shellfish waste.
4.7	Marketing establishments improved	The number of different companies which have been grant aided for capital investments for the marketing of fish or shellfish.
4.7	Promotion, sales and marketing campaigns supported	The number of different and separate fish promotion and marketing campaigns in the region which have been grant aided.
4.7	Quality initiatives supported	The number of different and separate initiatives which aim to improve the quality of an existing product or involve a new 'quality' standard
4.7	Producer organisations supported	The number of different and separate producer organisations supported in the region.
4.8	Integrated Area Plans supported	Revenue support for running costs of IAP staff
4.8	Learning Centres improved/established	Training facility for local community – usually an access route leading into college based training
4.8	Business facilities/enterprises improved/created	Range of support including support for a group of businesses with a common agenda plus support for enterprises delivering community regeneration
4.8	Sq m of premises supported	Provision of workspace and business space
4.8	Environmental Improvements undertaken	Range of environmental improvements centred around specific area or to address specific environmental issue
4.8	Micro businesses supported	Businesses (with 10 or less employees) operating from unit funded through the Programme
4.8	Feasibility Studies undertaken	Undertaking of feasibility study with a community regeneration focus
4.9	Number of agricultural SMEs assisted	Receiving 5 days or more substantive support, or more than £2,000 in value

4.9	Number of additional businesses supplying produce for new processing activities in the Objective 1 area	Businesses supplying new or improved processing activities, e.g. businesses supplied by 10 farms now supplied by 15, output = 5
4.9	Number of additional agricultural businesses supplying produce to regionally branded products	It must be clear from the branding that "Cornish" or "Isles of Scilly" is the key element
4.9	Number of new products marketed	The product must be new to the region not the applicant (Does not include new packaging, size or quantity)

## PRIORITY 5

Measure	Output	Definition
5.1	Feasibility Studies	Feasibility study centred around the arts, cultural or heritage sectors
5.1	Centres of excellence established	Development of advocates representing arts, cultural or heritage sectors
5.1	Marketing branding campaigns supported	Marketing campaign relating to the distinctiveness agenda
5.1	Number of SMEs assisted	5 days worth of mentoring/consultancy or financial equivalent of £2,000
5.2	Feasibility Studies	Feasibility study centred around the public product
5.2	Number of ports improved	Capital improvement to ports and harbours
5.2	Number of buildings enhanced/improved	Capital improvements to buildings which contribute to the distinctiveness agenda
5.4	Number of economically inactive people assisted with training	Individuals not working, or working less than 16 hours a week, provided with training or other help lasting for 5 days or more or with a monetary value of £2,000 or more.
5.4	Number of employed beneficiaries assisted with training	An individual in paid employment for a minimum of 16 hours per week who is provided with training or other help lasting less than 5 days (monetary value less than £2,000)
5.4	Number of women beneficiaries	
5.4	Number of beneficiaries working towards a higher level qualification (NVQ level 3 minimum)	An individual who has registered on a course which is accredited by an external organisation and will lead towards a recognised higher level qualification
5.5	Feasibility studies	Feasibility study to aid the improvement of the public realm
5.5	Number of SMEs assisted	5 days worth of mentoring/consultancy or financial equivalent of £2,000
5.5	Environmental improvements undertaken	Range of environmental improvements centred around a specific area
5.5	Key Centres/locations improved	Town and village improvements (with a minimum cost of £100k per individual element)
5.5	Listed buildings enhanced	Capital improvements to increase economic activity in listed buildings
5.5	Commercial floorspace developed (sq m)	Commercial floorspace brought into use

Financial Tables

EXPENDITURE - MEURO												
Priority/ Measure	Total Cost	PUBLIC									Private Funds	EIB Loans
		Total Public	Community Contribution					National Public Contribution				
			Total EU	ERDF	ESF	EAGGF	FIFG	Total	Public	Other		
<b>Priority 1</b>	<b>338,521,000</b>	<b>193,245,000</b>	<b>111,424,000</b>	<b>78,975,000</b>	<b>7,757,000</b>	<b>24,692,000</b>	<b>0</b>	<b>81,821,000</b>	<b>81,821,000</b>	<b>0</b>	<b>145,276,000</b>	<b>0</b>
Measure 1.1	28,197,000	19,197,000	9,497,000	9,497,000				9,700,000	9,700,000	0	9,000,000	0
Measure 1.2	48,800,000	23,800,000	20,800,000	20,800,000				3,000,000	3,000,000	0	25,000,000	0
Measure 1.3	53,847,000	32,044,000	22,203,000	22,203,000				9,841,000	9,841,000	0	21,803,000	0
Measure 1.4	123,468,000	49,392,000	24,692,000			24,692,000		24,700,000	24,700,000	0	74,076,000	0
Measure 1.5	21,920,000	16,507,000	9,417,000	9,417,000				7,090,000	7,090,000	0	5,413,000	0
Measure 1.6	41,998,000	34,998,000	17,058,000	17,058,000				17,940,000	17,940,000	0	7,000,000	0
Measure 1.7	20,291,000	17,307,000	7,757,000		7,757,000			9,550,000	9,550,000	0	2,984,000	0
<b>Priority 2</b>	<b>281,874,500</b>	<b>240,874,500</b>	<b>108,874,500</b>	<b>108,874,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>132,000,000</b>	<b>132,000,000</b>	<b>0</b>	<b>41,000,000</b>	<b>0</b>
Measure 2.1	85,700,000	79,000,000	33,500,000	33,500,000				45,500,000	45,500,000	0	6,700,000	0
Measure 2.2	23,371,000	20,371,000	9,371,000	9,371,000				11,000,000	11,000,000	0	3,000,000	0
Measure 2.3	0	0	0	0				0	0	0	0	0
Measure 2.4	55,734,000	30,434,000	11,434,000	11,434,000				19,000,000	19,000,000	0	25,300,000	0
Measure 2.5	34,804,000	28,804,000	16,154,000	16,154,000				12,650,000	12,650,000	0	6,000,000	0
Measure 2.6	0	0	0	0				0	0	0	0	0
Measure 2.7	82,265,500	82,265,500	38,415,500	38,415,500				43,850,000	43,850,000	0	0	0
<b>Priority 3</b>	<b>215,105,580</b>	<b>198,829,580</b>	<b>85,244,000</b>	<b>7,997,000</b>	<b>77,247,000</b>	<b>0</b>	<b>0</b>	<b>113,585,580</b>	<b>113,585,580</b>	<b>0</b>	<b>16,276,000</b>	<b>0</b>
Measure 3.1	27,782,609	27,782,609	10,761,609		10,761,609			17,021,000	17,021,000	0	0	0
Measure 3.2	51,023,000	42,901,000	18,971,000		18,971,000			23,930,000	23,930,000	0	8,122,000	0
Measure 3.3	28,690,000	23,812,000	11,066,000		11,066,000			12,746,000	12,746,000	0	4,878,000	0
Measure 3.4	35,305,201	35,305,201	14,056,621		14,056,621			21,248,580	21,248,580	0	0	0
Measure 3.5	10,466,100	10,466,100	4,711,100		4,711,100			5,755,000	5,755,000	0	0	0
Measure 3.6	19,347,000	19,297,000	7,997,000	7,997,000				11,300,000	11,300,000	0	50,000	0
Measure 3.7	13,705,000	11,689,000	5,239,000		5,239,000			6,450,000	6,450,000	0	2,016,000	0
Measure 3.8	19,111,670	19,111,670	8,411,670		8,411,670			10,700,000	10,700,000	0	0	0
Measure 3.9	9,675,000	8,465,000	4,030,000		4,030,000			4,435,000	4,435,000	0	1,210,000	0

EXPENDITURE - MEURO												
Priority/ Measure	Total Cost	PUBLIC									Private Funds	EIB Loans
		Total Public	Community Contribution					National Public Contribution				
			Total EU	ERDF	ESF	EAGGF	FIFG	Total	Public	Other		
<b>Priority 4</b>	<b>275,608,440</b>	<b>203,680,000</b>	<b>107,504,000</b>	<b>29,164,000</b>	<b>7,997,000</b>	<b>54,283,000</b>	<b>16,060,000</b>	<b>96,176,000</b>	<b>96,176,000</b>	<b>0</b>	<b>71,928,440</b>	<b>0</b>
Measure 4.1	15,264,000	14,864,000	7,428,000	7,428,000				7,436,000	7,436,000	0	400,000	0
Measure 4.2	15,997,000	15,997,000	7,997,000		7,997,000			8,000,000	8,000,000	0	0	0
Measure 4.3	6,941,170	5,321,406	2,659,703			2,659,703		2,661,703	2,661,703	0	1,619,764	0
Measure 4.4	17,044,612	13,060,350	6,530,175			6,530,175		6,530,175	6,530,175	0	3,984,262	0
Measure 4.5	12,340,000	9,460,000	4,728,000			4,728,000		4,732,000	4,732,000	0	2,880,000	0
Measure 4.6	91,748,548	69,925,800	34,957,900			34,957,900		34,967,900	34,967,900	0	21,822,748	0
Measure 4.7	33,748,000	20,748,000	16,060,000				16,060,000	4,688,000	4,688,000	0	13,000,000	0
Measure 4.8	55,486,000	43,486,000	21,736,000	21,736,000				21,750,000	21,750,000	0	12,000,000	0
Measure 4.9	27,039,110	10,817,444	5,407,222			5,407,222		5,410,222	5,410,222	0	16,221,666	0
<b>Priority 5</b>	<b>212,433,000</b>	<b>197,277,000</b>	<b>102,516,000</b>	<b>96,549,000</b>	<b>5,967,000</b>	<b>0</b>	<b>0</b>	<b>94,761,000</b>	<b>94,761,000</b>	<b>0</b>	<b>15,156,000</b>	<b>0</b>
Measure 5.1	33,091,000	28,091,000	14,271,000	14,271,000				13,820,000	13,820,000	0	5,000,000	0
Measure 5.2	39,336,000	34,336,000	17,443,000	17,443,000				16,893,000	16,893,000	0	5,000,000	0
Measure 5.3	99,751,000	99,651,000	54,651,000	54,651,000				45,000,000	45,000,000	0	100,000	0
Measure 5.4	14,322,000	12,532,000	5,967,000		5,967,000			6,565,000	6,565,000	0	1,790,000	0
Measure 5.5	25,933,000	22,667,000	10,184,000	10,184,000				12,483,000	12,483,000	0	3,266,000	0
<b>Technical Assistance</b>	<b>13,250,000</b>	<b>13,246,000</b>	<b>7,935,000</b>	<b>5,000,000</b>	<b>2,000,000</b>	<b>0</b>	<b>935,000</b>	<b>5,311,000</b>	<b>5,311,000</b>	<b>0</b>	<b>4,000</b>	<b>0</b>
Measure 6.1	7,123,000	7,123,000	4,267,000	4,267,000				2,856,000	2,856,000	0	0	0
Measure 6.2	3,434,000	3,430,000	2,000,000		2,000,000			1,430,000	1,430,000	0	4,000	0
Measure 6.3	1,247,000	1,247,000	935,000				935,000	312,000	312,000	0	0	0
Measure 6.4	1,446,000	1,446,000	733,000	733,000				713,000	713,000	0	0	0
<b>Total</b>	<b>1,336,792,520</b>	<b>1,047,152,080</b>	<b>523,497,500</b>	<b>326,559,500</b>	<b>100,968,000</b>	<b>78,975,000</b>	<b>16,995,000</b>	<b>523,654,580</b>	<b>523,654,580</b>	<b>0</b>	<b>289,640,440</b>	<b>0</b>
Total for the ERDF	773,413,500	638,381,500	326,559,500	326,559,500				311,822,000	311,822,000	0	135,032,000	0
Total for the ESF	249,802,580	228,798,580	100,968,000		100,968,000			127,830,580	127,830,580	0	21,004,000	0
Total for the EAGGF	278,581,440	157,977,000	78,975,000			78,975,000		79,002,000	79,002,000	0	120,604,440	0
Total for the FIFG	34,995,000	21,995,000	16,995,000				16,995,000	5,000,000	5,000,000	0	13,000,000	0