NEW FRONTIERS

An inclusive approach to an economy, environment and society that works for everyone in Cornwall and the Isles of Scilly

Cornwall and Isles of Scilly
Leadership Board
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Brexit is a catalyst for change, giving fresh impetus to our drive for green and inclusive growth.

Cornwall and the Isles of Scilly is an economy in transition. Two decades of European support have enabled us to put in place the foundations for growth: two universities, major road upgrades, the UK’s fastest growing regional airport, start-up space with streamlined support for local businesses, and digital connections that make Cornwall more technology ready than Greater Manchester. This investment has helped our economy to become more productive, our people to develop higher skills, and our local wages to increase.

However, the improvements to people’s lives have not been fast or far-reaching enough. 44% of households in Cornwall and the Isles of Scilly are “just about managing” with total earnings below £20,000. Exeter University research into why Cornwall voted to leave the European Union identifies deep personal insecurity, with people concerned about their ability to earn a decent living, and to access the public services they need.

People have put their faith in national and local government, rather than distant European institutions, to deliver an economy that truly works for everyone. With University of Birmingham research showing that many regions outside of London are more exposed to the possible negative impacts of Brexit, we want to work with Government to put in place the post-Brexit frameworks that will enable Cornwall and the Isles of Scilly to flourish. The approach which national Government takes to future funding, skills development, migration policy, regulations, agriculture and fisheries once we have left the European Union will be critical to our future resilience.

NEW FRONTIERS: AN INCLUSIVE APPROACH

POST BREXIT FRAMEWORKS
Brexit is a catalyst for change, giving fresh impetus to our drive for green and inclusive growth.
NEW FRONTIERS

ECONOMIC GROWTH TO 2030
Context
Cornwall and the Isles of Scilly’s economic journey and trajectory are articulated in Vision 2030, our Strategic Economic Plan. We have a fantastic opportunity to be at the forefront of a new economy, one that prospers in a unique creative, entrepreneurial and productive landscape. The connection of business, people and place is at the heart of our strategy.

Cornwall Council and the Cornwall & Isles of Scilly LEP play a pivotal role in local economic leadership - as well as securing and delivering economic development funding for Cornwall and the Isles of Scilly. Whilst significant progress has been made regarding our relative economic performance, we still lag behind the rest of the UK and much of Europe.

In 2016, GVA per head equalled 64.8% of the UK average
47% of the population live in settlements of less than 3,000

Historic economic underperformance below the UK average dictates a need to ensure that productivity occupies our future approach as much as possible: we need to become a high productivity/high employment economy. Poor productivity and consequent low wages make it hard for businesses, and the region, to compete nationally and internationally. In 2016, GVA per head equalled 64.8% of UK average, the third year of an increase within the context of a significantly growing population. Add to this our dispersed rural settlement pattern (47% of the population live in settlements of less than 3,000), average annual earnings significantly below the UK average (77.4%) and lower than average number of residents with NVQ4+ and above - the future challenges are clear.

Cornwall Council estimates that two-thirds of our exports go to the EU: maintaining and growing these markets will remain important. Maritime, tourism, agri-food and logistic sectors (for example) will continue to have a strong trading relationship with other European regions. At the same time, a UK outside the EU can enable Cornwall and the Isles of Scilly to expand relevant markets elsewhere in the globe.

While nominal/relative GDP for Cornwall and the Isles of Scilly (in comparison with the EU average has relatively declined since 2003 (market value) the purchasing power per inhabitant has increased, as has the total value of the economy to over £11bn per annum: an annualised growth rate of 1.8%. Annual average growth rates for Cornwall and the Isles of Scilly have been impressive because of access to markets. Further devolution and economic innovation exploiting our unique assets can continue to add value.
The challenge for Cornwall and the Isles of Scilly is attracting evolving investment that can sustain this success. Despite progress made to date, it is becoming clear that if the UK had remained in the EU and the EU’s Cohesion Policy retains its objective of economic cohesion, Cornwall and the Isles of Scilly would have expected to continue to receive funding as a ‘Less Developed Region’ in the 2021 to 2028 programme period. The estimated budget for this would have been in the region of £500m of investment.\(^{10}\)

We are not strangers to our historic economic challenges and we’ve committed to focus on our opportunities. There were 33,000 more jobs in Cornwall and Isles of Scilly in 2014 than 2004. In 2014 over 105,000 working age adults held degree level qualifications, 43,000 more than 2004. Cornwall has a dynamic and thriving business community. Most of our businesses are SMEs with nearly 90% of them employing less than 9 staff. That means there is a lot of innovation, creativity and enterprising potential harnessed within our region.

The support that EU programmes and Government investments such as Regional Growth Fund, Growth Deal, Coastal Communities etc have given to Cornwall and the Isles of Scilly over the last two decades is a firm foundation to build upon and lessons learned can inform a successful UK wide succession programme.

**Most of our businesses are SMEs with nearly 90% of them employing less than 9 staff**

The challenge for Cornwall and the Isles of Scilly is ensuring the continuation of economic growth in the context of the economic uncertainties facing the private sector as a result of Brexit negotiations, global uncertainties and reduced public sector funding at a time when we need to encourage greater business rate income to replace the ending of block grant from Government. The social benefits of growth must also not be underplayed, and we need to ensure that our natural capital grows with it. We have a cohesive geography, a cohesive narrative and clear leadership. Our opportunity is to make that as inclusive as possible.

Ensuring a continuation of Cornwall and the Isles of Scilly’s economic journey through an investment programme that delivers a whole system approach to economic development; increasing productivity and encouraging prosperity through a sustainable and inclusive approach to growth. Vision 2030 establishes a set of economic ambitions against six strategic drivers which provide the catalyst needed to continue our economic journey.
Unlocking barriers

The rationale for change

Current European and UK Government economic growth programmes are siloed into programmes/funds/activity designed to produce outputs (e.g. number of businesses supported) rather than outcomes (e.g. productivity improvements in the supported business and progression for individuals), and historically it has been difficult to align separate programmes/funds at place or business level (e.g. a linked capital investment and associated skills provision). In order to maximise the collective impact of the support and to reduce delivery costs we believe a different approach is required.

Fund structure, eligibility and overly complex reporting mechanisms do not allow for a whole system or investment by investment approach. In Cornwall and the Isles of Scilly, this has resulted in an often disjointed approach, with projects that have been recognised as highly successful in meeting intended outputs remaining disconnected from the people that live and work in the vicinity, creating a perception that the impact has not reached those who need it most.

The complex process of reporting and audit often stifles innovation and ultimately distorts implementation, resulting in sub optimal, inefficient and ineffective delivery.

In a post-Brexit UK, the availability of economic development investment to act as a long-term economic catalyst is vital in securing the future growth of one of the UK’s poorest regions at a time when it is critical to maintain investment and business confidence.

Our ask

To avoid stalling or reversing our growth trajectory and preserve investment confidence, we are seeking to continue our planned investment programme according to four key principles:

1. A single pot programme from 2023-2030 comparable with other EU Less Developed regions as the most efficient and effective way to achieve an integrated approach to economic development and growth.

2. A multi-annual (10 year) programme design focused on local accountability (within a locally agreed framework) that builds on our current Intermediate Body status as this will ensure that it is better targeted, more easily accessed by local beneficiaries and is owned and recognised by stakeholders and partners.

Robust sanctions to drive good delivery against a structured but simplified audit regime will ensure compliance without overburdening.

3. Measurements of success to be linked to the quality of outcomes achieved in order to ensure a whole system approach to sustainable and inclusive economic growth.

4. Adopt an inclusive growth approach to the delivery of the UK Shared Prosperity Fund (SPF) and other UK economic development funding as this will help to rebalance the economy and deliver shared prosperity.

The complex process of reporting and audit often stifles innovation and ultimately distorts implementation

ECONOMIC GROWTH TO 2030
Our offer

Cornwall and the Isles of Scilly have been involved in the administration of Government, European Structural, rural development and fisheries funds for over 20 years. We are already operating Intermediate Body status for ERDF and ESF, which provides more local discretion over the allocation of structural funds than many other parts of the UK. In addition, via Cornwall Development Company (our arm’s length economic delivery company), Cornwall Council also acts as the “accountable body” for EAFRD and EMFF funds.

Over the last 20 years we have learned lessons on what works well, what does not work well, and how funding can best be managed at programme level and administered at project level to deliver better outcomes for local people and business. Well structured, targeted and locally controlled and informed regional economic development programmes can act as a catalyst for growth, and the transitional arrangements for post-EU funding need to be cognisant of lessons learned and build value onto existing investments.

We will use all the levers available to us to further increase our contribution to UK economic productivity. We aim to reduce the amount of economic development funding we receive from UK PLC over time, eventually becoming a net contributor through increasing the number of high growth and innovative businesses, improving the productivity of our business base, increasing skills levels, encouraging economic inclusion and reducing deprivation.

We will support:

- The strategic delivery of investment according to two clear agendas – Competitive Cornwall and Isles of Scilly and Prosperous Cornwall and Isles of Scilly.
- An ‘inclusive growth’ approach to the delivery of the UK SPF and other economic development programmes as this will help to rebalance the economy and deliver shared prosperity across our region. We now have an opportunity to capitalise on the legacy of previous investments to become a thriving sustainable economy that not only delivers sustainable inclusive growth but that also contributes to the economic position of UK PLC and the reduction of welfare need.
- Private sector involvement in driving and delivering the programme to increase private sector match which will exceed HMG investment by 2030.
- The investment of legacy receipts and repaid loans as match funding to continue delivery of our ambitions for proposed financial instruments.
- Match fund capacity and expertise required to run the programme and act as the accountable body.
- Development of a Cornwall and the Isles of Scilly community development programme by investing in programme delivery and providing a cash flow facility to speed up investment.
- Development of an integrated growth and environmental skills and work hub to drive effective and agile private sector engagement and support.
- Alignment of a Cornwall and the Isles of Scilly investment programme with our local strategies, policies and funding including our Strategic Economic Plan, Environmental Growth Strategy, growth deal, Enterprise Zones, public and private sector match funding and skills, housing investment, employment and inclusion activity.
- Piloting approaches to SPF before launch in 2021/22 as an early test bed for fully integrated, locally delivered mechanisms and systems.
Benefits

Cornwall’s 2030 Local Plan ambition is to create at least 38,000 new jobs, 52,500 new homes and 704,000 sqm of employment space. This proposal represents a key piece of the jigsaw in achieving that ambition. Our Vision 2030 and Local Plan targets were set in the context of delivering the current EU programmes unchanged until 2023 and the likelihood of a further EU investment programme until 2030.

Over recent years, our GVA has begun to converge with the rest of the UK and productivity levels and average earnings have also increased. We now have an opportunity to capitalise on the legacy of previous investments to become a thriving self-sustaining economy.

Peripheral, coastal and rural economies such as Cornwall and the Isles of Scilly can make a significant contribution towards the UK economy, through an increased focus on digital connectivity and high value sectors, but the extent to which this is achieved as part of a wider re-balancing of the economy will depend on how future funds are structured around the needs of local people and economies. The Cornwall and Isles of Scilly LEP has just published its “10 Opportunities” document¹¹ which is its pre-cursor for a local industrial strategy and once finalised we would use this document to direct future economic development activity.
NEW FRONTIERS

AGRI-FOOD
AND FISHERIES
AGRI-FOOD AND FISHERIES

Context

In Cornwall and the Isles of Scilly the agri-food and fisheries sector has a turnover in excess of £2 billion annually and is valued at over 6% of our GVA (equivalent figure for England is 3%). The sector employs over 20% of Cornwall and the Isles of Scilly’s working age population compared to 15% in Great Britain. The sector also has a significant role to play in the environmental and natural capital value of our region through managing a range of ecosystem goods and services and its relationship to tourism is symbiotic and essential to our long term response to population pressures and climate change.

In financial terms the various strands of the Common Agricultural Policy (Basic Payment Scheme, Agri-environment Schemes, LEADER, EAFRD Countryside Productivity and the EAFRD Growth Programme) are worth in the region of £100 million per annum to Cornwall and the Isles of Scilly, so the decision to leave the EU and the transition from the current CAP regime to a British Agricultural Policy is of critical importance; particularly as the policy towards allocating public funds is moving to definitions of public goods beyond food production.

Unlocking barriers

The rationale for change

In a post-Brexit UK, the availability of financial support to act as a long-term economic catalyst is uncertain as details on any future Domestic Agricultural Policy are yet to emerge. However, the likely reduced levels of, or re-focussing of, the current Pillar 1 type CAP payments and Pillar 2 Rural Development Funds deliver a double challenge to the agri-food sector. The impact of these challenges will be felt across the direct supply chain and the wider economy of rural areas.

Finding ways to secure improvements in productivity and the future growth of one of the largest sectors in Cornwall and the Isles of Scilly is crucial to our overall Strategic Economic Plan (Vision 2030). Whilst the agri-food sector has grown considerably since 2000, further work is required to improve competitiveness, build efficiencies, address productivity issues and increase innovation to create growth across the whole of the supply chain.

Similarly, details of a new domestic Fisheries Policy are not yet available. However, it is clear that for the fishing industry, support from the EU Marine and Fisheries Fund has been an important source of investment for fishing vessels of all sizes, as well as in shore-based businesses. It has also been fundamental to the provision of essential port-based infrastructure. Identifying future sources of investment to continue to modernise port facilities and enable businesses to adapt to post-Brexit market opportunities will be an important component of the future success of the fishing industry. Equally, we are aware of the need to manage UK fish stocks sustainably and for the benefit of local communities, and policy and funding to support this is as essential as that for infrastructure investment.

Our ask

We are seeking to build on our existing investment programme with future activity designed according to the following key principles:

1. The UK Shared Prosperity Fund (UK SPF), or successor funding to the EU Rural Development and Fisheries Programmes, should take the form, at local level, of a streamlined single pot investment programme up to 2030 combining economic development funding for rural and coastal areas (including funding that is currently being delivered through programmes such as LEADER, EAFRD Growth and Countryside Productivity Programme’s and EMFF) with other growth, infrastructure and skills funding schemes. Alternatively if the UK SPF is not going to support this activity, DEFRA need to consider a rural development programme as part of their future agricultural policy objectives.

2. Economic development funding for rural and coastal areas should be allocated to ‘place level’ and form part of the ‘single pot’ approach suggested above. At the very least, the financial support for the agri-food and fisheries sector should be aligned with UK SPF activity via an Agri-Food and Fisheries Sector Deal for Cornwall and the Isles of Scilly under the auspices of our local Industrial Strategy.

3. Similarly we would seek greater local involvement in the delivery of environmentally linked funding to ensure that it is targeted to deliver local priorities and where possible dovetailed with any economic development funding in order to deliver a more holistic approach. Defra’s 25 year plan for the Environment and Cornwall’s Environmental Growth Strategy support this approach and our willingness to explore how this objective can be achieved is shown in the Devolution section of this document.

4. Adopt an ‘inclusive growth’ approach to the delivery of the UK SPF as this will help to rebalance the economy and deliver shared prosperity. We now have an opportunity to capitalise on the legacy of previous investments to become a thriving self-sustaining economy that not only delivers sustainable inclusive growth, but also contributes to the economic position of UK PLC.

5. The current Pillar 1 CAP payment system requires reform, and a transitional phase from the current system (5 years from 2020) will be required to lessen the negative impact on the agricultural sector. The replacement system needs to ensure that the environmental benefits derived from the current regime are improved upon to deliver environmental growth, in line with the move towards the need for delivery of wider public goods and that the income stabilisation role is also maintained in some way.

6. A programme design focused on local accountability (within a national framework) that builds on our current Intermediate Body/ accountable body status will ensure that the programme is easy to access by beneficiaries, owned and recognised by stakeholders and partners; and easily accountable to and monitored by Government.

7. Delivery according to measurements of success, that are linked to the quality of outcomes achieved rather than outputs delivered, will ensure that a whole system approach to creating inclusive, economic and environmental growth can effectively tackle areas of underperformance and optimise the productive capacity of regions.

8. The Cornwall and the Isles of Scilly fishing industry and environmental stakeholders should be involved in any negotiations and policy development affecting access to fisheries resources in the 6-12 nautical mile and the 12-200 nautical mile zones, and access to quota allocation based on the distribution of stocks within UK waters.

9. The Government should take our high percentage of fish and shellfish catch exports fully into account when designing the UK fisheries policy and negotiating future trade deals.

10. Explore the potential for regional devolution of technical fisheries conservation measures. This could improve sustainability, increase profitability and promote stronger co-management of stocks, through a more responsive and proactive management regime.
Our offer

The decision to leave the EU provides Cornwall and the Isles of Scilly, and the UK as a whole, the opportunity to create a more joined-up approach to the design and delivery of economic development programmes. As a rural and coastal region, the ability to join up activity supported by the UK SPF with any activity supported by any future Rural Development and Fisheries programmes is vital; as it will help us to develop a competitive and sustainable agri-food and fisheries sector after Brexit that works in harmony with the environment.

This approach will generate improvements by:

- Encouraging profitable, resilient, competitive and dynamic businesses through investing in improvements in their performance and encouraging supply chain efficiencies that will reduce the reliance of these businesses on the funds currently derived from CAP/CFP payments;
- Enabling the agri-food and fisheries sector to become an employer of choice by investing in businesses and individuals to maximise their potential and reduce the reliance of the sector on migrant labour;
- Creating value out of knowledge to facilitate the increased use of RD&I to understand the barriers to growth and identify the knowledge required to address them in the indigenous business base, as well as driving export trade in this globally important sector;
- The stewardship of our natural capital has always been and will continue to be vital to our society and economy. Planning future management to optimise production methods, while working within our environmental limits will result in a prosperous and sustainable future for our rural and coastal communities.

Benefits

The agri-food and fisheries sector is one of the largest sectors in Cornwall and the Isles of Scilly. To meet Cornwall’s 2030 Local Plan ambition for new jobs and growth, the role of this sector in helping us achieve our ambitions will be of paramount importance. The Isles of Scilly have equally challenging targets to meet.

Through a greater focus on economic and environmental productivity and fostering a more joined-up and place-based approach to the delivery of future rural development, coastal and fisheries funding programmes, alongside or as part of the UK SPF, this sector can adapt and flourish in the post-Brexit world.

We have an opportunity to create a more joined-up approach to the design and delivery of economic development programmes.
NEW FRONTIERS

EMPLOYMENT AND SKILLS
EMPLOYMENT AND SKILLS

Context
To deliver our economic growth aspirations, we must ensure the right environment for our people, businesses and places to build better careers in an inclusive and prosperous way. Cornwall and the Isles of Scilly has set a clear vision in regard to these aspirations: we will have a ‘healthy, skilled and productive workforce with access to rewarding jobs, career progression and opportunities for all’ in a ‘place where every household both contributes to and benefits from our growing economy’\(^\text{13}\).

Underpinning the delivery of the Cornwall and Isles of Scilly LEP’s Vision 2030 is a strong strategic and leadership approach. The LEP Employment and Skills Board (ESB), supported by a dedicated People and Prosperity Team, will deliver and co-ordinate the Employment and Skills Strategy 2016-2030. This approach is key to ensuring the right levels of skills and employment opportunities for individuals and businesses in an inclusive way.

Unlocking barriers
The rationale for change
Our economy is developing and changing and we are developing new systems and technologies that have the potential to change the way we work, live and do business. As a result Cornwall and the Isles of Scilly will identify, design and deliver a range of education, training and employment opportunities that will allow a positive contribution from and provide benefits for individuals, whilst making these opportunities both attractive and viable to local education providers and businesses.

Cornwall and the Isles of Scilly has been selected by the Department of Education (DfE) to help frame the Skills Advisory Panel Framework and analytical methodology; this will allow the ESB to fully understand skills demand and supply, the local employment and skills landscape and barriers and blockages in the local market.

Cornwall and the Isles of Scilly must also increase the capability and capacity across our leadership and business communities, and translate approaches to funders into a comprehensive and inclusive skills delivery programme. This will allow Cornwall and the Isles of Scilly to provide mainstream and bespoke skills opportunities which meet the aspirations of young people, people furthest away from the labour market, training providers and developing sectors and business\(^\text{14}\).

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\(^{13}\) Cornwall and Isles of Scilly Employment and Skills Strategy

Our ask

We are seeking Government support and flexibility to provide skills and employment opportunities, which will truly enable our people and economy to thrive:

1. The Cornwall and the Isles of Scilly ESB, using the robust approach and evidence base which will be generated by the work of the Skills Advisory Panel (SAP) seek:
   a. Training and capacity building to locally manage and update the evidence base generated by the SAP
   b. Use of the SAP evidence base to influence and programme local skills opportunities in priority sectors and generic cross sector skills e.g. determining local T-Levels and apprenticeships outside of the national framework
   c. A delegated fund that will pump prime opportunities for skills providers to procure training, assets and design courses that deliver priority and cross cutting sector skills that are not delivered through mainstream funding, for example on a consortium basis.

2. The Cornwall & Isles of Scilly LEP is supportive of a South West bid to deliver an Institute of Technology. This bid is based on a lead provider in the South West, utilising a number of anchor sites (providers) and delivery partners. To ensure a local focus our ask is to have fuller access to a range of sites and providers across the South West to provide skills opportunities which underpin a number of sectors outlined in the Cornwall & Isles of Scilly LEP’s ‘10 Opportunities’ campaign and links with national and local Industrial Strategy developments.

3. Following an identification of a gap not eligible for European Social Fund (ESF) support, Cornwall and the Isles of Scilly seeks the opportunity to pilot the early use of UK growth programme funding of £2m for early year’s education. The identification at an earlier age of children who may become NEET in later years, is crucial to developing programmes and interventions which engage children throughout their education and make a successful transition from compulsory education to further education or to the workplace. The funding will be strongly aligned to our successful approach to the Troubled Families’ agenda and the positive outcomes already being delivered.

Our offer

Cornwall and the Isles of Scilly hold Intermediate Body status for the European Regional Development Fund (ERDF) and ESF; one of ten in the UK. This allows for more local discretion over the allocation of funds than most other parts of the UK. Utilising a strategic approach to the allocation of ERDF funds targeting capacity building for businesses together with ESF funds to support individual participants provides a solid foundation for both the growth and skills agenda together with future funding approaches, for example SPF and the Work and Health Unit Innovation Fund. To support our programme and commissioning approach we will:

1. Investigate opportunities to become a lead provider, working in collaboration with delivery partners, to deliver our strategic programme approach and providing the 20% match funding required. A strategic programme development approach to the delivery of remaining ESF. This would allow added value to the delivery of the Cornwall and Isles of Scilly programme as the only Less Developed Region in England; addressing local priorities, allowing for greater innovation and creativity and with stronger strategic influence over activity.
2 Be the delivery partner for the Work and Health Unit’s Innovation Fund to deliver business engagement tools, a communications and social media campaign and support to business. The project will provide the opportunity to link businesses with people who are furthest from the labour market, develop innovative approaches to business engagement, especially hard to reach SMEs, and to change behaviours and build confidence. Our aim is to test and trial how established and new networks, led by business, could effectively create a market to recruit and retain disabled people and people with long term conditions.

3 Maintain and extend the Cornwall & Isles of Scilly LEP and Cornwall Council funding for the our dedicated People and Prosperity Team which will underpin, manage and monitor the delivery of the devolution and employment and skills agenda.

4 Continue to Match Fund the Enterprise Co-ordinator Network, funded by the Careers and Enterprise Company, delivering robust Careers Advice across our network of schools and employers.

5 Continue to fund our Careers Offer through a Service Level Agreement with Education and Early Years, providing a range of benefits such as post 16 education, employment and training, STEM/STEAM Strategy and the SEND Employability Strategy.

6 Support the SAP by creating and maintaining a skills analyst network, reporting findings and skills proposals for decision to the Employment and Skills Board; ensuring that we are linking skills and training to our sector approach.

7 We will source match funding opportunities for ESF, strongly aligned to the delivery of the Employment and Skills Strategy.

8 We will provide support to the consortium of organisations to deliver a South West Institute of Technology and align our emerging Investment Programme to support the provision of activity in Cornwall where this is appropriate. We will host and deliver the Innovation Fund Project, embedding the project and staff within the People and Prosperity Team.

Benefits

1 The benefits of a strategic programme development approach include:
   - securing better value for money,
   - ensuring that ESF adds more value to the delivery of local programmes,
   - delivering and addressing local priorities,
   - allowing for greater innovation and creativity,
   - stronger strategic influence and integration over activity as the specification would deliver cross cutting activities and reduce duplication across programmes with positive alignment as already agreed by the Cornwall and Isles of Scilly Integrated Territorial Investment – agreed as part of the Cornwall Deal,
   - promotes greater coherence,
   - co-ordination and targeting of provision.

2 Reduction in the number of NEETS.

3 Fewer people in receipt of Employment Support Allowance.

4 More people retained or entering the labour market with a long term health issue or disability.

5 Increased local job creation and progression.

6 Increase in higher level skills and apprenticeships.
NEW FRONTIERS

MIGRATION AND INCLUSIVE WORKFORCE GROWTH
MIGRATION AND INCLUSIVE WORKFORCE GROWTH

Context

Limits to the numbers of European Economic Area (EEA) nationals allowed to work and study in Cornwall and the Isles of Scilly are seen by businesses and public service bodies as one of the greatest risks of Brexit for Cornwall and the Isles of Scilly’s society and economy, particularly for key sectors such as tourism, agriculture, horticulture, higher education, health, care services and construction.

A post-Brexit UK immigration policy that works for Cornwall and the Isles of Scilly will help us to attract talented overseas students and overseas workers with the skills that our economy needs, accommodating both permanent and seasonal working patterns.

Cornwall currently has around a 3% unemployment rate, while at the same time has a higher than the UK average number of those economically inactive with long term health issues who want to work. Cornwall and the Isles of Scilly will help to create flexible responsive workplaces to enable more people to work, working with employers to address their needs while gaining the health and wellbeing benefits for those in ‘good’ work, and establishing Inclusive Growth15.

A post-Brexit UK immigration policy that works for Cornwall and the Isles of Scilly will help us to attract talented overseas students and overseas workers with the skills that our economy needs.

15 “State of the Economy 2017”, Cornwall Council Economic Intelligence Service,
Unlocking barriers

The rationale for change

The free movement of people between the UK and the EU is scheduled to end in March 2019. It is essential that the impacts of ending free-movement of labour are understood from the varying and specific needs and perspectives of the devolved nations and English regions, including more rural regions such as Cornwall and the Isles of Scilly.

Localis has identified Cornwall as one of the areas of England that will be left most exposed by a post-Brexit labour shortage\(^\text{16}\). Research recently commissioned by Cornwall Council and the Cornwall & Isles of Scilly LEP on the economic and social impacts of EEA workers on Cornwall and the Isles of Scilly\(^\text{17}\) not only supported our Catalyst for Change findings on key sectors that will be significantly affected by restrictions on future migration from the EU to the UK, but also highlighted that rural and peripheral areas of the UK are likely to find it challenging to attract migrant workers after Brexit if they are required to compete against urban areas for a restricted number of migrant workers allowed to enter the UK.

Early research has shown that employer anxiety over the employment of older and disabled workers prevents many from gaining the opportunity to contribute to the economy\(^\text{18}\). Employers are missing out on a wide skills and knowledge pool. A lack of flexibility and understanding is often a barrier to committed workers being given the chance to remain in work or to gain access meaningful work, if they develop long term conditions. Employers' concerns reflect a lack of awareness of new ways of working, an understanding of the legislation and knowledge of the support services available.

Our ask

To be directly involved in ongoing Government discussions regarding the design and delivery of post-Brexit UK immigration policy. Regional variation in migrant workforce requirements and skill levels cannot be fully accommodated under a single, centralised policy. To see investment in ‘good’ work, to maximise productivity and the health and wellbeing of the Cornish workforce. To invest in innovative, responsive support models that address both employer and employee needs to employment.

Our offer

Cornwall and the Isles of Scilly is building an emerging evidence base on the potential impacts of future UK immigration policy on peripheral, rural and coastal areas. We are developing a greater understanding of which sectors in these areas are likely to be the hardest and most immediately affected by restrictions on future migration from the EU to the UK. The involvement of Cornwall and the Isles of Scilly in the design of post-Brexit UK immigration policy would help the Government to ensure that the implementation of the policy will work for all parts of the UK.

Cornwall is working with the Department for Work and Pensions as a location for piloting new approaches to support employers take on older and disabled workers and those with long term chronic health conditions. Cornwall will offer expertise and a ‘test-bed’ to create evidence based solutions to increase access to work for those currently struggling to (re-)enter the workplace and help retain those in work, while also improving productivity and workforce retention.

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Benefits

A UK immigration policy that is sufficiently flexible to cater for the specific workforce requirements of all parts of the UK would enable Cornwall and the Isles of Scilly to continue to re-balance and grow its economy. The Government must recognise the distinct, sector-specific needs of Cornwall and the Isles of Scilly and other regions within the UK that cannot be met through a UK-wide approach.

Improving access to work for older workers and those with disabilities or health conditions is a major challenge for all economies as we see workforces age, and individuals seek to work for longer. Employers are struggling to recruit and yet are uncertain how to engage with this talent pool. By breaking down these barriers, companies can recruit and grow, more people gain the health and wellbeing benefits good work can provide and there is less demand on the NHS and benefits resources. Solutions developed in Cornwall and the Isles of Scilly can be applied throughout the UK and beyond.
NEW FRONTIERS

REGULATIONS (POST-BREXIT)
REGULATIONS (POST-BREXIT)

Context
Cornwall Council provides expert business support capability and capacity as a unitary authority with a high level of contacts with local businesses, including over 4000 food inspections a year. We have already developed a successful Business Regulatory Support Hub with the support of the Cornwall & Isles of Scilly LEP, are a champion of “Better Business for All” (BBfA) and lead in developing business support packages to help businesses save time and money.

The proposals in this chapter apply to Cornwall only and do not cover the Isles of Scilly.

Unlocking barriers

The rationale for change
Regulation should be simple. The over-layering of regulatory responsibilities between agencies is unnecessarily complex, inefficient, and is not suitable for enabling businesses to achieve regulatory compliance quickly. This costs businesses both time and money. Brexit is an opportunity to review, simplify and roll back responsibility to a local level.

For example “approved premises” that present higher food safety risks are mostly inspected by Cornwall Council’s environmental health officers, yet meat cutting and game handling plants in Cornwall are inspected by the Food Standards Agency (FSA). Similarly businesses seeking to export food may require permission to do so from different agencies depending upon the type of food product.

Businesses that comply with regulations should have regulatory burdens eased. Additional flexibilities would be required to enable Cornwall Council’s officers to grant local food businesses “earned recognition” when there is assurance of compliance. Currently local flexibility is restricted by a national, “hard-wired” risk assessment scheme.

Community protection can be enhanced and resources applied more efficiently through the greater empowerment of town and parish councils and through greater availability of more cost-effective sanctions for breaches (eg fixed penalty notices).

Moreover, the relationship between business and with the environment is another aspect of regulatory compliance, and we recognise that the system assuring business compliance with environmental regulations has become increasingly complex.
Our ask

Regulatory powers over areas such as Animal Health, Environmental Health, Licensing, Port Health and Trading Standards should, as a default principle, be devolved to Cornwall Council.

**Specific empowerment is sought to:**

- Enable local flexibility over the FSA’s Codes of Practice to tailor intervention strategies for businesses, including by basing earned recognition on local accreditation schemes.
- Issue certificates to permit the export of all food products. Currently different agencies permit the export of different products.
- Redraw local enforcing responsibilities for health and safety with HSE to ensure the best use of collective resources to provide support to Cornwall’s businesses.
- Simplify regulation in farming (currently divided between numerous agencies) through the consolidation of statutory powers to the Council where possible.
- Devolve the power to make Public Space Protection Orders to appropriate local town and parish councils.
- Issue a single, “life time” licence to businesses for all licensable activities with local fee-setting powers and a single public record.

Additionally, we seek the active participation of DEFRA’s agencies – and other associated Government agencies where relevant – to work with us to examine how we could, at a local level, create a single integrated interface for businesses with their environmental regulatory requirements. In 2018, the CIOS LEP and CIOS LNP will be commissioning a feasibility study to consider how this area of regulation could be delivered through a single point access model. Our project will map existing provisions to enable the production of a skills matrix and library of knowledge, provide up to date information from our business surveys to inform a model and proposed working principles. Our intention is that this will enable a ‘full societal cost benefit analysis’. Participation in the project design and analysis from DEFRA would be welcomed to ensure our local level activities reflect what will be evolving at a national level post-Brexit.

In short Cornwall Council is asking for “a seat at the table” as discussions about future regulation unfold.
Our offer

Cornwall Council’s close relationship with the Cornwall & Isles of Scilly LEP, status as a champion of BBfA and leading role in developing business support innovation demonstrate that we are capable and ready to take on wider regulatory responsibilities.

The simplification of regulatory arrangements and the appointment of Cornwall Council as a local single point of contact for managing more regulatory arrangements would improve compliance, improve business competitiveness and potentially allow Cornwall Council to make changes to some regulations in order to boost local economic growth and enhance Cornwall’s contribution to UK PLC.

Cornwall Council offers assistance in piloting and evaluating proposed regulatory changes i.e. to act as a “test bed” to aid future central government policy decisions.

Our environmental regulations project seeks to build on the success of our BBfA work, Growth Hub and Skills Hub to examine with partners how an optimal new regulatory system can drive environmental outcomes through environmental growth, whilst minimising business costs and disruption. This will enable us to build on the depth of understanding provided by our ERDF-funded Environmental Growth for Business project, and to draw on the insight and enthusiasm of the cohort of engaged businesses who participate in our Cornwall Sustainability Awards.

Benefits

Businesses will benefit from a local, more joined-up regulatory framework, which will simplify regulations and save time and money. Improved business competitiveness and economic growth in Cornwall have the potential to attract more businesses to operate in Cornwall and create jobs. Communities in Cornwall will benefit from the devolution of regulatory powers/sanctions to Cornwall Council with the further devolvement of community protection powers to town and parish councils delivering whole system efficiencies. Cost-effective sanctions will also reduce burdens on the courts system. The Cabinet Office estimate potential average savings of 10% to regulators’ costs from earned recognition/regulated self-assurance.
Communities in Cornwall will benefit from the devolution of regulatory powers/sanctions to Cornwall Council with the further devolution of community protection powers to town and parish councils delivering whole system efficiencies
More information about the propositions contained within New Frontiers can be found at www.cornwall.gov.uk/newfrontiers