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**Theme 1: Improve Competitiveness**

- Stimulate Innovation and R&D
- Create Appropriate Employment Space
- Provide Business Support
- Encourage Sector Development
- Transformation into an Information Society for All
- Ensure Energy Sustainability

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**Theme 2: Develop People**

- Provide Economic Inclusion Opportunities for All
- Provide the Best Start for Young People
- Support Higher Education
- Improve Workforce Development

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**Theme 3: Enhance Place and Connectivity**

- Provide and Improve Transport Infrastructure
- Build on a Distinctive Cornwall
- Develop Sustainable Communities
- Develop the Isles of Scilly

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Executive Summary

‘To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly’

*Strategy and Action* is the economic development strategy for Cornwall and the Isles of Scilly setting out an ambitious vision for the future: ‘To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly’

The challenge is to build a prosperous, distinctive and knowledge based economy in a peripheral and rural economy.

The vision will have been achieved when:

- Cornwall and the Isles of Scilly is a model rural knowledge economy for the 21st century, including management of environment, visitors, sustainability, investment and infrastructure allowing successful competition within a global economy.

- Economic growth is achieved within environmental limits and the area exploits the opportunities that arise from its establishment as a low-carbon economy. The area is recognised as a leader in renewable energy and environmental technologies and works towards environmental sustainability.

- The well-being of individuals, communities and businesses is highly valued, a well-embedded culture is celebrated, and creativity stimulates continual renewal and exploration. People recognise and take advantage of the opportunity to achieve higher skills as a way to realise their potential and access better quality employment and earnings.

- Cornwall and the Isles of Scilly is as highly regarded across the world for the development, application and commercialisation of new knowledge and ideas, and for sustainable wealth creation, as it is for the outstanding quality of its environment and the distinctiveness of its culture.

All the efforts towards achieving this vision will be underpinned by four Guiding Principles:

A. **To establish Cornwall and the Isles of Scilly as a knowledge economy and society**

Cornwall and the Isles of Scilly will be a place as highly regarded across the world for the development, application and commercialisation of new knowledge and for sustainable wealth creation, as it is for the outstanding quality of its unique natural and managed landscape.

B. **To ensure environmental sustainability**

Cornwall and the Isles of Scilly will ensure that the quality and integrity of its environment will be further enhanced as well as protected.

C. **To remove economic and social disadvantage, foster cultural confidence and improve the well-being of people**

Cornwall and the Isles of Scilly will tackle economic and social disadvantages and inequalities in order to improve well-being, through developing appropriate understanding and skills.

D. **To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors**

Cornwall and the Isles of Scilly will be, and will be known to be, a business-friendly area that provides the right environment for ambitious entrepreneurs and business people.
Strategy and Action will be delivered through 14 Objectives grouped under three inter-connected themes:

**Vision**
Sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly

**Theme 1**
Improve Competitiveness
- Stimulate innovation and research and development
- Create employment space
- Provide business support
- Encourage sector development
- Transform into an information society for all
- Ensure energy sustainability

**Theme 2**
Develop People
- Provide economic inclusion opportunities for all
- Provide the best start for young people
- Support higher education
- Improve workforce development

**Theme 3**
Enhance Connectivity and Place
- Improve transport infrastructure
- Build on a distinctive Cornwall and the Isles of Scilly
- Develop sustainable communities
- Develop the Isles of Scilly

**Guiding Principles**
- Establish as a knowledge economy and society
- Ensure environmental sustainability
- To remove economic and social disadvantage, foster cultural confidence and improve the well-being of people
- Establish as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors

Strategy and Action is designed to give clear guidance on the policies and priorities across Cornwall and the Isles of Scilly 2007-2021. It has been informed by policies and actions at local, regional, national and EU levels including the Cornwall Community Strategy and the South West Regional Economic, Spatial and Skills Strategies. At EU level, the Community Strategic Guidelines provide the context for Post 2006 European Funding Programmes including the new Convergence Programme for Cornwall and the Isles of Scilly and the National Rural and Fisheries Programmes for 2007-2013.
Strategy and Action
Objectives and Strategic Links

Stimulate innovation and research and development
Provide economic inclusion opportunities for all
Transformation into information society
Provide the best start for young people
Ensure environmental sustainability
Develop sustainable communities
Provide business support
Encourage Sector Development

Improve Competitiveness
Enhance Connectivity and Place
Develop People

Support higher education
Improve workforce development
Create employment space
Improve transport infrastructure
Develop the Isles of Scilly
Build on a distinctive Cornwall and Isles of Scilly
There has been an economic renaissance in many parts of Cornwall and Isles of Scilly over the past five years. Strong employment growth has been accompanied by major new developments such as the iconic Eden Project and the Combined Universities in Cornwall. There has also been a significant improvement in the external image of Cornwall and the Isles of Scilly as a high quality destination with a positive and creative future. This change has been helped by the success of low cost airlines offering services to and from Newquay, making the County much more accessible from other parts of England. It has also been helped by favourable coverage of many of the Objective One initiatives, such as actnow, which dramatically increased the take up of broadband by the business community.

GVA growth has been strong in Cornwall and the Isles of Scilly, outperforming both the regional and national trends. However, there are significant differences in sector contributions with national trends and it is unlikely that the Cornwall and the Isles of Scilly can rely on all of the recent high contributors to GVA growth to drive future growth. There is a need to increase the competitiveness of businesses, raise skills levels, and ensure that there is the economic infrastructure for a modern, sustainable economy.

Recent economic growth has brought new issues and challenges which need to be addressed if continued growth is to be sustainable.

**Key challenges include:**

- Increasing levels of business productivity, numbers of exporting businesses and innovation, product and process development
- Enterprise opportunities arising from responses to climate change and managing local impacts
- Managing new business investment (demand for land and premises)
- Leading the way in further development of broadband, ICT and digital media
- Addressing the persistent levels of worklessness and increase the contribution of those outside the labour market
- Managing the demographic ageing of the population to benefit the economy
- Reducing recruitment and skills shortages linked to improving the skills base and availability of jobs to match, by increasing the level of higher-paid employment and number of graduate and higher-skilled jobs
- Improving transport infrastructure and access to services and tackling increasing traffic congestion
- Ensuring sustainability of the Isles of Scilly

The economic projections for Cornwall and the Isles of Scilly highlight the potential to transform the economy, and there is evidence that the net out-flow of younger people has been reversed. There are however considerable changes in strengthening the business base to provide the quality employment that characterise a sustainable and prosperous economy.

The key stakeholders now face a challenge in taking advantage of the momentum of the past five years, managing some new issues arising from success, continuing to address the underlying structural weaknesses, and reducing the effects on climate change arising from further economic growth.
How this will be delivered

The Cornwall and Isles of Scilly Economic Forum is not a direct delivery vehicle. The actions and activities contained within this document will be delivered with the resources of other agencies and organisations, and through innovative and effective projects successfully drawing from a large number of different funding streams.

Success in delivering the Vision, Objectives and Actions set out in *Strategy and Action* will depend on the ongoing support and dedication of a whole range of lead partners including:

- Cornwall County Council
- Cornwall District Councils
- Council of the Isles of Scilly
- Combined Universities of Cornwall
- Cornwall Enterprise
- Cornwall Business Partnership
- Cornwall Sustainable Energy Partnership
- Job Centre Plus
- South West RDA
- CPR Regeneration
- Business Link
- Sector networks/Task Forces
- Learning & Skills Council
- Government Office for the South West
- Third Sector Organisations
- Creative and Cultural Partnership
- Rural Cornwall and Isles of Scilly Partnership
- Cornwall Agricultural Council
- Cornwall Sports Partnership

A vital element will be building and maintaining links with key funding programmes and other strategies including the Convergence Programmes, The Local Area Agreement, the South West Regional Economic Strategy (RES) and Regional Spatial Strategy (RSS).

**Monitoring and review of Strategy and Action** is imperative to ensure success. The monitoring framework will include:

- **An annual review of the evidence base** to ensure that we keep up to date with trends and changes.
- **Regular Energy and Sustainability Audits** to capture and manage environmental impacts.
- **Regular Monitoring of Strategic Actions** to ensure that we are making progress and identifying and spreading good practice.
- **Annual reporting on key achievements and project progress** to enable us to review and where appropriate redefine future action plans.
Over the last year, an enormous amount of work has gone into the second major review of *Strategy and Action*, the economic development strategy for Cornwall and the Isles of Scilly. The analysis of evidence, the extensive consultation with hundreds of organisations, undertaken by the Secretariat of the Cornwall and Isles of Scilly Economic Forum, and the drafting of the final document is a testament to the tremendous commitment and hard work of everyone who took part in the process. As the Chairman of the Economic Forum, I want to take this opportunity to publicly thank all those who have given so much of their time to produce what, I am sure you will agree, is an excellent summation of what Cornwall and the Isles of Scilly will need to do if we are to realise our ambition of economic prosperity.

This latest revision of *Strategy and Action* is a very significant step forward for Cornwall and Isles of Scilly. It provides a clear framework for progress and identifies all the key economic activities that we would like to see happen over the next fourteen years. Most importantly, it has the clear support of a wide range of partners in the public, private and third sectors.

However, we cannot stop there. We all know that hard choices have to be made. The very successful Objective One Programme, which is now coming to an end, has contributed much and provided a real platform upon which we can take forward the new European Programmes from 2007-2013. However, as these latest programmes offer Cornwall and the Isles of Scilly its last chance of a substantial injection of European Investment, we need to concentrate on what is most important to transform the economy. Equally, there are many other sources of funding and opportunities which we need to manage in order to address the whole economic development agenda. So, it is vital that we build on the comprehensive framework, which *Strategy and Action* now provides.

My own personal ambitions for the people of Cornwall and the Isles of Scilly remain as the improvement of quality across the piece, the generation of better-paid jobs and the development of sustainable communities. Everyone will have an important part to play but, I would reiterate, it is essential that the Private Sector leads the economic development process, as it will be businesses that will deliver our economic performance.

In writing this foreword, I feel it would be remiss of me not to stress the importance of retaining and developing Newquay Cornwall Airport. Cornwall County Council, with the full support of the Government Office of the South West, are to be congratulated for bringing the sensitive negotiations with the UK Government to their present stage together with the South West Regional Development Agency for demonstrating their long term confidence in the project by recently voting a significant amount of investment to allow it to be taken forward.

I hope you will agree that *Strategy and Action* is a great start and has laid the foundations for what will be an even harder process, of driving the delivery of the wide ranging actions that are truly essential for both the short and long term economy of Cornwall. I commend this strategy to you and ask for the support of all our partners, organisations and businesses in making it a reality.

Thelma Sorensen, Chairman
Cornwall and Isles of Scilly Economic Forum
2. Statement from Cornwall County Council

Cornwall County Council is pleased to be working in partnership with the Cornwall and Isles of Scilly Economic Forum. *Strategy and Action* is the overarching economic development strategy for the area and the Objectives described in the document, when considered as a whole, set out an ambitious vision for the future.

Our challenge is to establish Cornwall and the Isles of Scilly as the leading example in Europe of a prosperous, distinctive and knowledge based economy in a peripheral and rural economy.

To achieve this we must agree what are the most important actions to drive our ambition of creating a more balanced economy, where:

- The quality of jobs is as important as the quantity of the jobs;
- Everyone is given the opportunity to engage in the economy;
- Business support and work based training and upskilling is led by the private sector, and
- The environment is used as a driver of sustainable economic productivity.

With all of us striving towards the common goal of sustainable prosperity.

Andrew Mitchell, Executive Member for the Economy, Cornwall County Council

3. Purpose

This document highlights the most important priorities for economic development in Cornwall and the Isles of Scilly for 2007-2021. It will influence the new Convergence Programme along with the National Rural and Fisheries Programmes for 2007-2013. *Strategy and Action* has been informed by all of the various policies and actions at local, regional, national and European Union (EU) levels. It sets out the vision for Cornwall and the Isles of Scilly and identifies the Objectives needed to achieve sustainable prosperity.

*Strategy and Action* is designed to give clear guidance on the policies and priorities across Cornwall and the Isles of Scilly. It is not intended to set out the detail of all of the economic development activities for the area; rather, it focuses and identifies the key priorities for each element of economic development. *Strategy and Action* should be used by any body, organisation or partnership with an economic development role within Cornwall and Isles of Scilly.

4. Context

Cornwall and the Isles of Scilly has always used its geography and geology to earn its way in a competitive world. The traditional industries developed as a result of particular geographical, climatic and geological factors. Agriculture is a land-based industry, and the climate has allowed the development of a strong dairy and horticulture tradition. Access to the sea fostered a fishing industry as well as a significant marine manufacturing industry and an abundance of minerals. This put Cornwall at the forefront of the industrial revolution, creating the potential for deep-shaft mining, the china-clay industry and associated engineering activities. Even the locations of more recent facilities, such as Goonhilly Earth Station and the Ministry of Defence (MOD) sites, were partly dependent on geography. Moreover, the success of the visitor economy is, despite recent changes, still largely reliant on the natural and managed landscape and shores of Cornwall and the Isles of Scilly.
The area has started to experience a transformation in its economic fortunes in recent years. With confirmation received that a significant amount of further European funding will be available from 2007-2013, through partnership, Cornwall and the Isles of Scilly now has an exciting opportunity to build on its new foundations and develop a globally competitive, knowledge-based, sustainable, inclusive and prosperous society which effectively maintains, protects and improves its environment and distinctive culture.

*Strategy and Action* is informed by local, regional, national and EU strategies and policies. At the local level, economic development is an integral strand of the Cornwall Community Strategy. At regional level, it has been important to align closely with the Regional Economic Strategy, the Regional Spatial Strategy and the Regional Skills Strategy. At an EU level, the Community Strategic Guidelines have been used to inform the strategy – particularly crucial at this time, as *Strategy and Action* will provide the platform from which the Post 2006 European Funding Programmes will be framed.

Cornwall and the Isles of Scilly has to compete in a very different world to that inhabited by previous generations. The advent of globalisation and the free movement of capital have transformed local economies throughout the world. Dramatic changes have been seen in the way goods are manufactured, transported and sold, and much manufacturing has been transferred to Far Eastern or Eastern European factories. Cornwall and the UK are moving on and developing a knowledge-based economy that calls for new approaches and new skills. To be competitive, Cornwall must harness all its innovation, creativity and knowledge and ensure that it has nationally and internationally significant clusters of businesses which build on the specialisms of its newly established and excellent Higher Education sector. Information and communication technology is especially significant for Cornwall and the Isles of Scilly in terms of its contribution to a knowledge-based economy, as this will assist the area to challenge the traditional shortcomings of peripherality and transform itself into a modern, globally competitive economy.

Over the last few years there have been significant changes in terms of competition in the national and international economic and policy environment. There are challenges imposed by increased competition at both the European and global levels. Among the many that can be identified, perhaps the most important to include is the enlargement of the European Union, with the accession of ten former socialist economies, which have significant agricultural production and advantages in terms of proximity to the EU core and low production costs, as well as the intensification of international competition, with the emergence of new low-cost production countries, such as China, India, Brazil and Mexico. The current low-wage economy of Cornwall and the Isles of Scilly will face increased challenges from competitors, for example, in the Czech Republic, who may have additional advantages in terms of proximity and accessibility. This is reflected in changes in the policy framework of the European Union, the re-launched Lisbon Strategy, the new European Sustainable Development Strategy, the Community Strategic Guidelines, and the reform of the Agricultural and Cohesion policies.

The developers and manipulators of knowledge can be based anywhere in the world. Cornwall and the Isles of Scilly offers good connectivity together with a fine environment, safe communities and a distinctive, creative and inclusive culture. There has been strong growth in the coverage and uptake of broadband ICT links and there is an ambitious agenda to invest further. Overall, Cornwall and the Isles of Scilly is seeking new solutions to developing a knowledge economy in a peripheral and rural setting. This involves encouraging all its businesses to develop the high standards of service, investment and training that are vital to raise productivity and achieve competitiveness in the global context. The public sector is actively supporting
these goals by developing access to a high standard of information, advice, support, employment space, finance, transport systems, networks, and workforce training.

There are also global sustainability issues that raise key opportunities and challenges for Cornwall and the Isles of Scilly. On 30 October 2006 Sir Nicholas Stern’s *Review on the Economics of Climate Change* was released. Its findings demonstrate the huge overall costs and risks of climate change, stating that failure to take urgent action will be equivalent to losing at least 5% of global Gross Domestic Product (GDP) each year, with worst-case scenarios potentially draining 20% or more from global GDP. In contrast, however, the review concludes that, with immediate action, the costs of counteracting global warming can be limited to around 1% of global GDP each year, and that the move towards a low-carbon economy will also open huge market opportunities, worth at the very least $500bn, for example in low-carbon technologies.

Local responses are required to adapt to issues such as climate change, oil dependency, unsustainable travel patterns and the current fragility of world energy supply. As energy demand continues to rise, Cornwall and the Isles of Scilly has an opportunity to support the generation of more energy from renewable sources, and at a more local level. Reducing dependency on oil-derived energy and manufacturing processes would go some way to shielding the area from any impacts of worldwide oil price rises. Promoting growth that reduces the need to travel and encourages less energy consumption will be key to the future economic well-being of Cornwall and the Isles of Scilly. Taking steps towards achieving a carbon-neutral economy is essential in order to achieve long-term sustainability and maintain the environment that is loved by residents and visitors alike for enjoyment by future generations.

Starting from a very low base, Cornwall and the Isles of Scilly is developing a growing economy. Being environmentally responsible, the region encourages growth in ways that lessen the need to travel and are energy efficient. This is an area with its own history and culture, reflected for example in its World Heritage Site mining landscapes, its native minority language, its artistic legacy and contemporary creative dynamism. The combination of distinctiveness, creativity, sustainability and responsible environmental management provides a sound foundation upon which to build a modern, knowledge-based economy that will sustain a skilled, confident and flexible population in a place that is loved by residents and visitors alike.
Strategy and Action
## Analysis of Strengths, Weaknesses, Opportunities and Threats

### Strengths
- Economic momentum - recent economic and employment growth
- Some strong sectoral performance and a resilient business base in some sectors
- Strong and long established enterprise culture and high levels of self-employment in dynamic sectors
- Broadband infrastructure with a high level of broadband penetration and business take-up
- Strong brand, increasingly linked to quality values and positive external image, both UK-wide and internationally
- Early success of the Combined Universities in Cornwall project and sector-led workforce development
- A very significant cultural infrastructure upon which to build a more competitive creative industries sector
- Outstanding coastal, natural and managed environment
- Strong partnership base, formal and informal networks
- The unique culture of the area which is reflected in the strong sense of community, place and quality of life engendering a strong loyalty to Cornwall and the Isles of Scilly

### Weaknesses
- Small internal market and remoteness from other major UK and global markets
- Structural bias towards low value-added and seasonal economic activity
- Limited higher value-added service-sector economy and consequent lack of graduate and higher-skilled jobs
- Limited provision and quality of appropriate business employment space
- The level of aspirations and competitiveness amongst existing businesses
- High and persistent levels of worklessness (consistent with those seen across the UK) and pockets of severe deprivation including associated health issues
- Persistent recruitment and skills shortages linked to a low skills base, the ability to retain well-qualified workers and availability of jobs to match
- Low levels of business productivity, numbers of exporting businesses and innovation, product and process development
- Poor social, economic and environmental conditions, for example in Camborne, Pool and Redruth
- Poor quality business and economic infrastructure in some key towns
- Poor transport connectivity, including public transport, both internal and external and limited access to services
Opportunities

- Post 2006 EU Funding, particularly Convergence
- The expanded market in the enlarged EU and the ability to exploit new opportunities through higher quality products and services
- The potential for SMEs in certain sectors to take advantage of growing markets to assist in re-positioning the local economy
- Improving the range and quality of new business start-ups
- Improving transport links and increasing accessibility
- Capitalising on the development of Newquay Cornwall Airport and new air services to UK, European destinations and international hubs
- Opportunities arising from more widespread broadband, digital media and ICT adoption and applications resulting in new business opportunities
- Increased trading nationally and internationally through identifying niche markets and developing the Cornwall brand
- Local sourcing and procurement
- Enterprise opportunities arising from responses to climate change
- Increasing demand for environmental technologies, renewable energy and micro energy production
- Combined Universities in Cornwall and growth in Higher Education, especially for North and East Cornwall
- Peninsula Medical School and bioscience, which will contribute to GVA and benefit the ageing population
- Increase markets, opportunities and value of marine, creative, tourism and food industries
- Deployment of assistive technologies enabling people with disabilities to assume full participation in employment
- Increasing numbers of entrepreneurs, with an additional focus on female entrepreneurs
- Legacy following 2012 Olympic Games
- Cornish Mining World Heritage Site
- Harmonising the major changes in agricultural policy to continue and enhance the management of the distinctive quality of the landscape
- A model rural knowledge economy for the 21st century, including management of environment, visitors, sustainability, investment and infrastructure

Threats

- Climate change and protection of environment
- Increasing energy prices and uncertainty of supply
- Increased immediate national and international competition and globalisation of trade particularly in respect of EU enlargement
- Restructuring and modernisation of industries such as china clay, agriculture, fishing and tourism with potential for large scale redundancies in other areas such as military/defence
- Continued economic and population growth in terms of the quality and way of life and environmental limits
- Increasing traffic congestion
- Poor public transport connections between key centres both inside and outside of Cornwall
- Outdated infrastructure constrains economic growth
- Competitive pressures on and the restructuring of industries such as china clay, agriculture and fishing
- Sustainability of the Isles of Scilly
- Demographic ageing of the population
- Affordability of housing
- Regulation and fiscal measures on travel modes including road and air travel
Key Challenges

The evidence base and consideration of the SWOT analysis demonstrates that the following challenges must be met in order to achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly. Minimise threats (external) and weaknesses (internal) by developing and capitalising the strengths and opportunities:

- To increase levels of business productivity and innovation, and numbers of exporting businesses along with product and process development
- To re-position the local economy within the wider economic space by rising to the challenges associated with the expanded market in the enlarged EU through identifying areas of distinct competitive advantage
- To build on enterprise opportunities arising from the development of measures to meet the challenge of climate change
- To manage new business investment (demand for land and premises)
- To raise aspirations and encourage competitiveness amongst existing businesses and improve the range and quality of new business start-ups
- To lead the way in further development of broadband, ICT and digital media
- To develop a model knowledge economy for the 21st century, set within a rural context
- To address the persistent levels of worklessness, acknowledge and increase the contribution of those outside the labour market
- To manage the demographic ageing of the population to benefit the economy
- To reduce recruitment and skills shortages by improving the skills base and availability of jobs to match in appropriate sectors
- To increase the level of higher-paid and higher-skilled employment along with an increase in the number of graduates with the relevant qualifications
- To improve transport infrastructure and access to services as well as addressing the problems associated with increasing traffic congestion
- To respond quickly to business/industry closure
- To improve social, economic and environmental conditions in deprived areas
- To maintain and improve existing natural and built coastal infrastructure
- To ensure the sustainability of the Isles of Scilly
- To secure a legacy following the 2012 Olympic Games and maximise the positive opportunities of Cornish Mining World Heritage Site status.

A detailed and robust analysis of the evidence base is available as a supporting document.
6. Vision

‘To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly’

The vision will have been achieved when:

- Cornwall and the Isles of Scilly is a model knowledge economy for the 21st century, set within a rural context, successfully competing within a global economy.
- Economic growth is achieved within environmental limits by exploiting the opportunities that arise from its establishment as a low-carbon economy working towards environmental sustainability and is recognised as a leader in renewable energy and environmental technologies.
- The well-being of individuals, communities and businesses is highly valued, a well-embedded culture is celebrated, and creativity stimulates continual renewal and exploration. People recognise and take advantage of the opportunity to achieve higher skills as a way to realise their potential and access better quality employment and earnings.
- Cornwall and the Isles of Scilly is as highly regarded across the world for the development, application and commercialisation of new knowledge and ideas, and for sustainable wealth creation, as it is for the outstanding quality of its environment and the distinctiveness of its culture.

In response to this, Strategy and Action will contribute towards the achievement of four guiding principles that set out the ultimate aims for economic success in the area. The Guiding Principles are linked with the European Union’s Lisbon Agenda for competitiveness and to the Gothenburg Agenda for sustainability. Both of these agendas have been set out and agreed by the European Union and all its member states. The four guiding principles will also contribute towards the Objectives of the Regional Economic Strategy, and are as follows:

A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society

Cornwall and the Isles of Scilly will be a place as highly regarded across the world for the development, application and commercialisation of new knowledge and for sustainable wealth creation, as it is for the outstanding quality of its unique natural and managed landscape.

The term ‘knowledge’ includes the application of all forms of know-how, research, ideas, technology, design and creativity to improve competitiveness. To stay competitive amongst world economies and create new economic value, it is essential that Cornwall and the Isles of Scilly moves to a more knowledge-based approach to products, services and markets and commits to R&D to drive innovative product development, business models and models of service delivery.

Cornwall and the Isles of Scilly will be able to compete in a rapidly changing global market place. Providing a basis for significant economic development will be the commitment for the area to become an information society, full broadband coverage, dynamic sector groups, the development of an innovation system, growing higher education, research and knowledge exchange opportunities and the continued development of its business support service.

Some traditional industries have, in the past, derived benefit from the use of resources that have now become scarce. As knowledge does not wear out and people can duplicate it practically without cost, it is a source of wealth and enhanced productivity that can increase value in one area without diminishing it somewhere else.
The knowledge economy refers to the use of knowledge to produce economic benefits, and is characterised by the recognition of knowledge as a source of competitiveness. This means:

- Improving competitiveness for (potentially) all businesses and organisations by supporting their better use of knowledge.
- Supporting the growth of more businesses and organisations that are principally driven by the exploitation of knowledge.
- An essential foundation for the creation of such an economy is a knowledge society, which creates, shares and uses knowledge for the prosperity and well-being of its people and ensures that no communities or individuals are excluded from these benefits. In the context of Cornwall and the Isles of Scilly, this means:
  - Fostering an inclusive society with support for all individuals and groups.
  - This will, in turn, develop a culture of research, innovation and lifelong learning, strengthening the capacity to grow the economy.

This guiding principle will help towards the contribution of Cornwall and the Isles of Scilly to the Lisbon Agenda, which seeks to improve competitiveness and enterprise.

B. To ensure environmental sustainability

Cornwall and the Isles of Scilly will ensure that the quality and integrity of its environment will be further enhanced as well as protected. Placing environmental considerations at the heart of business practice reinforces commitment to sustainability in economic activity and opens up opportunities to explore development solutions that are highly marketable and profitable. The environment is an economic driver that underpins diverse industries and sectors, and environmental commitment will contribute towards development within a knowledge economy that is partly founded on the provision of innovative solutions to the environmental challenges expected in the coming years.

Integrated service provision and delivery in the more rural areas will also be developed to overcome barriers to social and economic inclusion in an environmentally sustainable way. Further use of e-connectivity, using low-emission power sources, will be encouraged along with sustainable transport solutions. For example, a transparent, scientifically rigorous mechanism for offsetting carbon production will be developed, helping to position the area at the leading edge of sustainable practices and providing additional exciting branding and marketing opportunities to attract both investors and visitors. Remediation of past environmental damage is an important area for improvement.

Overall, such actions will benefit the environment, the economy and society, with the ultimate aim being to develop the area and reap the benefits of a low-carbon economy.

This guiding principle will assist Cornwall and the Isles of Scilly to contribute to the Gothenburg Agenda, which focuses on the importance of the social and the environmental aspects of economic development.
C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence

Cornwall and the Isles of Scilly will tackle economic and social disadvantages and inequalities in order to improve well-being, through developing appropriate understanding and skills. This will be accomplished particularly by means of support for young people, by widening opportunities and by raising aspirations for all to be part of, have access to and benefit from a caring, encouraging society.

All should be provided with opportunities to access skills, training and education, and to develop confidence in their own abilities and contributions. In all of this, the importance of maintaining the culture and values of society should be recognised. Everyone is part of a community, sometimes more than one community. Working across communities, calls for energy, resources and commitment to ensure inclusion, to break down barriers and build bridges.

The well-being of local people is particularly important, and the role of leisure and sport, social support systems and access to health services in relation to confidence-building and economic activity cannot be underestimated. Being part of a community supports the individual, giving self-esteem and motivation. Informed and confident people will be better equipped to make sustainable decisions.

The cultural integrity of Cornwall and the Isles of Scilly will be maintained as a key factor differentiating the area from the rest of Britain and providing the bedrock of a community that is proud of itself but open to new ideas and diversity.

This guiding principle will help towards the contribution of Cornwall and the Isles of Scilly to the Gothenburg Agenda.

D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors

Cornwall and the Isles of Scilly will be, and will be known to be, a business-friendly area that provides the right environment for ambitious entrepreneurs and business people. It will ensure that it will provide a high return on investment, modern, efficient and reliable infrastructure and employment space, clear and speedy planning systems, world-class business support, an exceptional quality of life and a strong brand – all of which are highly valued by investors. It will drive increased productivity in both the public and private sectors. It will be high on the list of locations of choice for wealth-creators, high-value businesses and innovative, creative entrepreneurs to run their businesses.

This guiding principle will help towards the contribution of Cornwall and the Isles of Scilly to the Lisbon Agenda, which seeks to improve competitiveness and enterprise. The Lisbon Agenda also states the requirement to create or add additional economic value in business. Although developing new knowledge-based businesses is important if the business base is to be restructured, it is also beneficial in terms of helping all businesses to grow, innovate and extend their value chains. This includes older, traditional industries which, with the right support, can continue and increase their contributions to Gross Value Added (GVA), earnings and the environment. ICT, increased investment in innovation and R&D, and workforce development will all play an important role in achieving this goal.
Theme 1
**Improve Competitiveness**

Cornwall and the Isles of Scilly will be a place where wealth-creators flourish, businesses increase their productivity and contribute to an enterprising and higher added-value economy, and where more enterprises with growth potential build a knowledge-based economy that competes globally. A robust and successful business sector is critical to achieving sustainable prosperity, leading to greater wealth creation and employment opportunities for all.

Cornwall and the Isles of Scilly is committed to achieving exemplar status for its achievements in some key knowledge areas, for its commitment to the development of an information society and for the quality of its business support. It will grasp the opportunities available to develop a high-value environmental technologies sector and develop a business support network that is recognised as world-leading in its innovative approach to fostering business growth. The aspiration is to eliminate the productivity gap between the economy of Cornwall and the economy of the UK/EU in an environmental and sustainable manner, so that by 2021 the area will equal or exceed the national rates for business productivity growth, business start-up and survival, R&D investment, innovation and knowledge transfer, management skills, export sales and ICT usage. It is also committed to achieving exemplar status for its energy policy and its commitment to the environment.
Objective:

**Stimulate Innovation and R&D**

To achieve sustainable prosperity with opportunity for all through the development of a creative, innovative and high value-added business base and research and development community by:

- Raising ambitions and aspirations.
- Focusing efforts on specific clusters with globally competitive high-value potential.
- Creating mechanisms by which local knowledge-based businesses can compete globally.
- Attracting new high value-added businesses which fit with the local characteristics and aspirations.
- Fostering a creative, highly skilled, responsive and flexible workforce within a socially inclusive economy.
- Promoting the importance of R&D and innovation with employers.
- Establishing the means of exchanging knowledge between local employers and centres of learning/external centres of research.

**Why this is important**

This Objective arises in response to the following identified key challenges:

- To increase levels of business productivity and innovation, and numbers of exporting businesses along with product and process development
- To re-position the local economy within the wider economic space by rising to the challenges associated with the expanded market in the enlarged EU through identifying areas of distinct competitive advantage
- To build on enterprise opportunities arising from the development of measures to meet the challenge of climate change
- To raise aspirations and encourage competitiveness amongst existing businesses and improve the range and quality of new business start-ups
- To develop a model knowledge economy for the 21st century, set within a rural context
- To reduce recruitment and skills shortages by improving the skills base and availability of jobs to match in appropriate sectors
- To increase the level of higher-paid and higher-skilled employment along with an increase in the number of graduates with the relevant qualifications

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*Above: Developing the research and development community.*
The Lisbon Agenda identifies innovation as one of the key drivers for growing the knowledge economy and sets a target of increasing investment in R&D to the necessary 3% of GDP (gross domestic product). Nationally, the UK Innovation Survey (Office of National Statistics 2005 [ONS] and Department of Trade and Industry [DTI]) found that 73% of businesses with a high level of innovation reported a high or medium impact on ‘improved quality of goods or services’ and 65% reported a high or medium impact on ‘increased value added’. Similarly, a recent innovation survey conducted in New Zealand found that of all the businesses that had implemented innovations in the last three years, most reported an increased range of goods and services (80%), increased profitability (79%), and improved efficiency (75%).

Cornwall and the Isles of Scilly is under-performing in many critical areas of knowledge and innovation. For example, productivity is 32% below the national average, 8% less of the workforce are qualified to NVQ4+ (degree level or equivalent) and R&D spend is 76% lower than for the UK as a whole (see ‘The knowledge-driven economy and innovation’ section of the Review of the Evidence Base for more details). These weaknesses leave the local economy vulnerable. Grasping the opportunities offered by innovation and R&D will enable Cornwall and the Isles of Scilly to compete internationally and become the first successful rural knowledge economy in the country.

The new EU accession countries, and the subsequent shift of the centre of gravity of the EU to the east, present an important challenge for Cornwall and the Isles of Scilly. With the strengthening and eastward expansion of the European innovation core, the UK and Cornwall in particular become more peripheral. The current low-wage economy of Cornwall will face increased challenges from competitors, for example, in the Czech Republic, who may have additional advantages in terms of proximity and accessibility to the market place.

Cornwall and the Isles of Scilly has a special and distinctive environment that provides very real opportunities to gain economic benefit. Quality of life (often associated with environmental quality and cultural opportunities) is a major attraction for investment, businesses, workers and visitors. Business efficiency can be enhanced through better environmental management and environmental technologies and services, such as renewable energy, which represent a huge global market within which Cornwall and the Isles of Scilly can become a leader. The UK Sustainable Development Strategy states that 80% of the environmental impact of a product is determined at the design stage. Therefore this Objective needs to incorporate environmental considerations from the outset.

Building on the emerging renewables cluster will enable Cornwall and the Isles of Scilly to seize an important competitive advantage – particularly given the current reliance on the (well-documented) dwindling supply of fossil fuels and the impact of rising fuel costs. By supporting this activity, a major new and highly productive value-added industry will be developed. This will work closely with academia and research institutions and include a focus on leading the design, development and production (air, sea and land-based) of products responding to environmental and energy-related opportunities, both for local use and export.

For example, the proposed Wave Hub facility is a groundbreaking renewable energy project that demonstrates how the unique environment in Cornwall and the Isles of Scilly provides very real opportunities for economic benefit. The Hub, based 10 miles off the coast of Hayle, will be linked to the national grid and will enable renewable energy companies to trial innovative wave-power technologies in advance of commercial production. It could lead to the creation of up to 700 jobs and contribute £27 million a year to the economy as a result of the creation of a new wave-power industry.
Strategic Action

Contribution to Guiding Principles

A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society

Innovation and R&D is at the heart of developing a knowledge economy and society. Creating the research capacity and working to add value to all businesses by assisting them to exploit their knowledge and improve quality will lead to an increase in competitiveness. Placements, flexible working and close work with HE/FE will develop the knowledge society.

B. To ensure environmental sustainability

Through exploitation of knowledge, investments in research and new technologies along with the focus on low bulk industries and the export of knowledge rather than bulky products will contribute significantly. In addition investment in R&D will also develop generic environmental education, awareness and skills.

C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence

Developing skills and creative entrepreneurship, investing in knowledge and adding value to businesses will lead to increased earnings and higher value employment bridging the divide.

D. To establish Cornwall and the Isles of Scilly as a place for wealth creators and entrepreneurs and to improve economic value across all sectors

Providing the skills, research capacity, investment opportunities and appropriate infrastructure will encourage entrepreneurship and draw in wealth. The R&D and exploitation of knowledge has the potential to benefit and add value in all businesses.

Actions

Strengthen and create research capacity and knowledge-exchange networks/clusters

- Develop world-class research institutes and research within and outside education, which interlock with business, including the growth of postgraduate and research training.

- Foster closer collaboration between higher education, businesses and the public sector.

- Build on the research and information base through the further development of Local Intelligence Network Cornwall (LINC).

- Strengthen existing networks/clusters and, where appropriate, build new ones.

- Grow business R&D, graduate enterprise and SME participation by enabling better access to finance and business support.

- Research what it takes for a peripheral and knowledge-based rural economy to succeed, and exploit this research elsewhere.

- Maximise benefit from the existing bank of intellectual property, including the cultural product, and support initiatives to trade world-wide.
Enhance incubation services to enable knowledge-based start-up and spin-out companies to realise their potential

Encourage further inward investment by high-value business

Encouraging inward investment by knowledge-based and innovative businesses will entail harnessing the reputations of local centres of research and capitalising on initiatives such as Cornwall Pure Business. This will contribute to the development of world-class, integrated support systems, including services that involve public, educational and private agencies working together.

Develop a programme of knowledge exchanges/placements

The aim will be to bring in world-class knowledge – including knowledge in academic disciplines, technology, markets and business processes – and skills drawn from world-class regional, national and international partners. Sharing such knowledge within Cornwall will involve, for example, placing local under-graduates, graduates and post-graduates in local businesses and provide mentoring for both placements and businesses.

Create a branded ‘Cornwall Innovation System’

Co-ordination of activities will be improved in order to develop a ‘Cornwall Innovation System’. This will bring together a range of different activities and institutions that support the innovation process, identifying and addressing any gaps in support. Science parks, HE-business networks, incubation facilities, technology transfer activity and advice on intellectual property rights are examples of activities that would be included within the System, which will be developed within the context of the business support simplification agenda and will link to the DTI’s International Technology Service. It will also include the creation and protection of intellectual property rights (IPR).

Enhance incubation services to enable knowledge-based start-up and spin-out companies to realise their potential

This activity will deliver the application of incubation and will be supported through the development of appropriate employment space such as business incubation space and science parks. Links will be established with international counterparts and institutions to facilitate global business competitiveness, taking and adapting best global practice including the creation and protection of intellectual property rights (to be supported by the Cornwall Innovation System). Incubation space will include state-of-the-art facilities and will be supported by a team of business and technical support staff. The capital build will be delivered via the Employment Space Objective. Once a successful evaluation is undertaken on the pilot centres currently being developed at Omega, Tremough and the Medi-Park at Treliske, further developments should be considered in other areas such as North and South East of Cornwall and areas within Restormel.

Lead partner:
Combined Universities in Cornwall/Cornwall Enterprise

Lead partnership:
Knowledge Economy and Innovation Task Force
Objective:

Create Appropriate Employment Space

To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly by ensuring the appropriate supply of employment space that fully meets the changing needs of businesses. This will help to transform the economy into one that is high-value-added and knowledge-based, and to provide employment opportunities for all.

This will:

- Create the conditions in which the private sector can deliver appropriate employment space with a significantly reduced level of public-sector funding by the end of the Convergence Programme.
- Develop employment space that fulfils the ambitions of Cornwall and the Isles of Scilly as a knowledge economy.
- Facilitate the delivery of market-ready employment sites and premises, which meet sectoral and geographical requirements and the needs of businesses and inward investors.
- Bring forward sites and premises in locations that are consistent with market demand and spatial priorities.
- Facilitate the provision of appropriate, quality employment space in areas that can be accessed by rural and deprived communities.
- Ensure that employment space is flexible enough to meet the changing needs of businesses.
- Realise the employment space opportunities created by both existing and new infrastructure, in particular transport and ICT.
- Promote high levels of sustainability, design quality and environmental excellence, including onsite renewable energy where appropriate.
- Ensure informed and accessible dialogue between the private sector and the various public-sector partners.
- Integrate new employment space with the natural and built environment and secure adequate mitigation where the need may arise.

Why this is important

This Objective arises in response to the following identified key challenges:

- To build on enterprise opportunities arising from the development of measures to meet the challenge of climate change
- To manage new business investment (demand for land and premises)
- To raise aspirations and encourage competitiveness amongst existing businesses and improve the range and quality of new business starts-ups.
- To lead the way in further development of broadband, ICT and digital media
- To develop a model knowledge economy for the 21st century, set within a rural context
- To improve social, economic and environmental conditions in deprived areas
The provision of suitable employment space can play a key role in raising business productivity and achieving sustainable economic growth. It can also enable indigenous businesses to compete effectively and expand, attract inward investors, encourage entrepreneurs to set up and grow their businesses, diversify and strengthen the economic base by facilitating the growth of key sectors and address issues of deprivation and economic sustainability.

However, the property market is affected by a number of market failures, including some that are external to Cornwall and the Isles of Scilly. Local issues such as high business rates, poor transport links and a failure to meet market demands present significant difficulties, but national economic policy and interest rates also have an impact.

The key supply issues for Cornwall and the Isles of Scilly include a shortage of quality, modern floorspace of the right type, location and tenure. There has been limited delivery of floorspace outside of the main towns and there is limited availability of incubation and grow-on space for successful businesses. There are more than 20,000 self-employed people working mainly at or from home in Cornwall and the Isles of Scilly, therefore the provision of live/work units are a real opportunity, both for environmental reasons, flexibility and for rural regeneration. There are a high number of redundant buildings and community facilities in more rural locations which could be utilised, providing there is appropriate infrastructure and access to services. Some allocated sites are not deliverable in the short/medium term due to various constraints and in some cases, where premises are available; there is concern about the quality of accommodation and the built and physical environment.

In terms of demand there are also emerging key issues, such as economic forecasts that indicate continued restructuring within the economy leading to additional net demand for offices and warehouses, with demand for factory floorspace expected to be stagnant. There is also anticipated to be significant demand from existing businesses to move to modern accommodation (replacement demand). In addition, there is the potential for strategic assets (such as the CUC and Newquay Cornwall Airport) to act as catalysts for high levels of economic growth. It is also recognised that changes in working practices will, in future affect demand for premises, particularly in terms of their location, configuration and use.

Lastly, there are a number of related development issues, including for example, high development costs, limited private-sector development activity and concerns over the capacity of the planning process and other central government agencies (including the Highways Agency and Environment Agency) to react quickly.

### Contribution to Guiding Principles

<table>
<thead>
<tr>
<th>A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society</th>
<th>By providing the quality and flexibility of employment space to host knowledge-based businesses and providing flexible accommodation for entrepreneurs to develop ideas and share knowledge and experiences.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. To ensure environmental sustainability</td>
<td>Although there is the potential to have a negative effect on the environment, consideration of sustainable design and construction will be at the heart of new developments. Buildings will be energy efficient and are likely to include energy generation technology. This, along with appropriate locations for, and access to employment space, including rural workspace to limit transport impacts have the potential to contribute positively.</td>
</tr>
</tbody>
</table>
C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence. Lack of quality and flexible employment space is a barrier to economic development. The provision of appropriate workspace can offer enhanced employment opportunities to local people, including those that are disadvantaged.

D. To establish Cornwall and the Isles of Scilly as a place for creators and entrepreneurs and to improve economic value across all sectors. The provision of appropriate workspace can offer indigenous business across all sectors, the opportunity to expand, as well as attracting high-value inward investors. In addition the provision of live-work units and mixed-use facilities can encourage and facilitate entrepreneurship.

**Actions**

A comprehensive package of actions is being developed as part of the Cornwall and Isles of Scilly Employment Space Strategy 2007–2017 to address the key issues. A multi-faceted, programme-based approach to delivery of the Employment Space Strategy is emerging, which will be sequenced so that public sector funding reduces over time. These actions will include:

**Develop serviced sites**

Key sites will be identified and prioritised, with a programme of intervention to service and bring forward these key sites on a phased basis (including the provision of appropriate transport infrastructure and access development).

**Provide employment space**

A range of space will be facilitated to support the needs of businesses, including home-based businesses (live/work) and the provision of employment space and economic opportunities within rural and disadvantaged communities. Also, an appropriate spatial provision will be ensured, reflecting market demand and policy requirements. In relation to the public sector partners, the Employment Space Strategy will consider the extent to which existing assets can be used to facilitate further employment space development, as well as how prudent borrowing and other sources of public funding might be used. In addition, opportunities to make better use of Section 106/Planning Gain will be assessed.

**Support the knowledge economy, target sectors and incubation**

Incubator units and ‘grow on’ space with clear links to business and skills development support, will be provided in order to facilitate the effective transfer of knowledge from academic and research institutions to businesses. The delivery of appropriate accommodation will be facilitated to support the development of the identified economically important and emerging sectors linked to the knowledge economy. In addition, the enhancement, re-use and adaptation of existing poor quality employment sites and premises will be facilitated, where appropriate.
Other partners include:

- CABE
- CITB Skills
- Construction industry
- Cornwall Agricultural Council
- Cornwall County Council
- Cornwall Enterprise
- Cornwall Pure Business
- Council of the Isles of Scilly
- CPR Regeneration
- District Councils
- English Partnerships
- Priority Sites
- Private sector
- Rural Cornwall and Isles of Scilly Partnership
- Sector representative organisations
- Town Councils
- University of Exeter (Cornwall) and University College Falmouth (Tremough Innovation Centre)

**Develop Strategic Assets**

Sites and premises packages will be developed in order to support identified strategic assets (potentially successful centres of expanding businesses) and their potential to act as catalysts to economic growth, including Newquay Cornwall Airport, ports and harbours and the further development of CUC.

**Integrate strategic principles**

The principles of sustainable development will be incorporated in the delivery of employment sites and premises. Wherever possible, such development should be made on brownfield land and meet the highest standards set out in *Future Foundations*, the sustainable construction charter for the South West. New or refurbished workspace should be flexible, of high-quality design and energy efficient, and should meet appropriate BREAAM standards. The sustainable location of workspace will relate to the spatial and land use strategy (i.e. Cornwall Employment Space Strategy, the Regional Spatial Strategy and the Cornwall Structure Plan) and respond to changing working practices. New workspace will be fitted out with future-proof services including ICT connectivity solutions and leading-edge energy solutions, to the benefit of end-users and the general environment. Through the Cornwall Sustainable Energy Partnership, planners from each District Council are working to develop a model planning policy that will be introduced across Cornwall and the Isles of Scilly and that will require all new developments to provide sufficient on-site renewables to reduce carbon emissions from energy use by users of the building by a minimum of 15% initially. Further work will be undertaken to review this percentage and increase this in the future as far as is practical and achievable. They will also be supported by green travel planning, and their design will incorporate appropriate and high-quality provisions for people with disabilities.

**Improve co-ordination of delivery arrangements for employment space provision**

The roles to be played by public and private-sector organisations will be clarified. A co-ordinated set of delivery arrangements, which will address issues of capacity, will be developed. New efforts will be made to establish constructive dialogue and understanding between planning authorities, central government agencies, businesses and private-sector developers to ensure that Cornwall maintains a business-friendly approach and is a place where wealth-creators can build their businesses.

**Lead partner:** South West RDA

**Lead partnership:** Sites and Premises sub-group of the Cornwall and Isles of Scilly Economic Forum
Objective:

**Provide Business Support**

To achieve sustainable prosperity with opportunity for all by facilitating the development of a knowledge-intensive economy through the creation of an innovative, world-class business-support programme which will significantly raise growth, productivity and profitability (economic value). This will be targeted at every growth-minded and capable business (irrespective of stage of development or sector) through a co-operative ‘gold standard’ programme between business-support organisations in the public and private sectors.

This will:

- Encourage productivity and efficiency improvements in all businesses, particularly in deprived areas.
- Further develop the culture of entrepreneurship by raising people’s awareness of the opportunities to start a business, and support ambitious and creative people to take risks, solve problems and establish businesses with high-growth potential.
- Increase the overall number of high value-added growth businesses through a combination of increasing start-ups and reducing failures. This will be achieved via intensive business support and the removal of barriers to opportunities, as well as by encouraging improvements in productivity.
- Attract inward-investing businesses that will provide high-value jobs.
- Expose businesses to global markets, increasing internationalisation.

**Why this is important**

This Objective arises in response to the following identified key challenges:

- To increase levels of business productivity and innovation, and numbers of exporting businesses along with product and process development
- To re-position the local economy within the wider economic space by rising to the challenges associated with the expanded market in the enlarged EU through identifying areas of distinct competitive advantage
- To build on enterprise opportunities arising from the development of measures to meet the challenge of climate change.
- To raise aspirations and encourage competitiveness amongst existing businesses and improve the range and quality of new business start-ups.
- To develop a model knowledge economy for the 21st century, set within a rural context.
- To reduce recruitment and skills shortages by improving the skills base and availability of jobs to match in appropriate sectors.

In an economy with a geographically spread population, and where the distribution of employment is important, it is vital that all businesses maintain high levels of efficiency in what is a relatively small marketplace. Many people depend upon local jobs, but productivity (which is 32% below the national average) needs to be improved to ensure higher wage rates.
There is a need to increase the start-up and growth rates of particular types of business, notably those in higher value-added markets. Businesses that have national or international markets (exporters) are particularly important, because there are more opportunities for growth beyond the limited domestic market. This type of business must be encouraged.

In addition, in order to continue developing the entrepreneurial culture and meet business skills needs it is important to maximise the role that schools play in developing enterprise skills, raising aspirations and encouraging creativity, by fostering links between schools, other academic institutions, and businesses.

Women in the UK are only half as likely to be involved in start-up activity as men. Increasing the number of female-owned businesses would, therefore, have a significant impact on the UK’s economic performance, as having more businesses would lead to increased productivity and wealth creation. According to the Small Business Service (SBS), a pound invested in developing women’s enterprise provides a greater return on investment than a pound invested in developing male-owned enterprise. Currently only 19.48% of businesses in Cornwall are more than 50% owned by women, which represents a largely untapped economic resource.

### Contribution to Guiding Principles

<table>
<thead>
<tr>
<th>Guiding Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society</td>
<td>There will be some contribution by working with formal and informal education and businesses to encourage entrepreneurship and creativity. Focused support to businesses with the ability to grow and the provision of technological and environmental best practice advice will contribute to this principle.</td>
</tr>
<tr>
<td>B. To ensure environmental sustainability</td>
<td>The provision of advice and support to businesses by appropriate means will reduce travel. Advice on environmental management and technology best practice will form an important element of business support.</td>
</tr>
<tr>
<td>C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence</td>
<td>This Objective aims to improve the value of all businesses and provide support to entrepreneurs. It encourages creativity and will lead to increased productivity that should lead to improved earnings.</td>
</tr>
<tr>
<td>D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors</td>
<td>An important element of this is to encourage and support entrepreneurs. In addition, business support will be provided to all businesses, particularly those that have the potential to grow and add value to the economy.</td>
</tr>
</tbody>
</table>
Actions

The development and delivery of all publicly funded forms of business support will be managed in line with the business support simplification agenda. There will also be greater co-ordination between delivery organisations to ensure right time/right place interventions and increase the take-up and usage of business support services. In the largely rural context, business support services must also be accessible and delivered by methods that are sympathetic to the environment.

Business support services in Cornwall and the Isles of Scilly will be tailored to meet the needs of a number of distinct business segments, and actions will comprise of:

Provide focused support to growth businesses

Action will be taken to assist those businesses that, irrespective of their development stage or sector, have the ambition to grow above their current level and wish to significantly advance their relative position in the marketplace. These businesses may require intensive support to overcome the significant challenges they will face as they grow. This support will include information and market research services, developing leadership and management skills, signposting to high-end design skills and marketing expertise, promoting environmental best practice, and specialist ICT and e-business support. Businesses will also be assisted to implement environmental efficiencies and develop environmental management systems.

Deliver start-up and early-stage business support

Specific tailored services will be provided for entrepreneurs and early-stage businesses with the ambition to grow. These businesses may require intensive support to overcome the significant challenges they will face as they grow. Cornwall and the Isles of Scilly’s entrepreneurial culture will be further supported, with enterprise skills promoted within schools and colleges. There will also be a focus on female entrepreneurs and young people. This support will include assistance with ICT and environmental best-practice, marketing, management capability and the use of innovation to develop competitive advantage.

Help businesses to compete globally

The developments regarding EU enlargement and increased international competition indicate clearly that focusing on cost-based competition is not a sustainable option for an economy located within a high-income Country. New price-based competitors have gained significant comparative advantages by the opening-up of the international markets and the elimination of trade barriers. Thus, in this highly competitive environment emphasis should be placed on quality-based competition and in particular on product innovation, product branding and exploitation of niche markets. Therefore, similar services to those described above will be provided to those businesses that develop new markets outside Cornwall through exporting goods or services or that attract new high-value visitors. Businesses should be supported to expand overseas – it is important to maintain and strengthen international trade.

Support third sector businesses

Specific dedicated support may be provided to third-sector businesses including community enterprises and enterprises in deprived areas. There are already many successful social enterprises and there is much potential to ‘raise the game’ of others.
Other partners include:

- Combined Universities in Cornwall
- Cornwall Business Partnership
- Cornwall Chamber of Commerce and Industry
- Cornwall Enterprise
- County and District Councils
- Learning and Skills Council
- Private Intermediaries
- South West Investment Group
- South West RDA
- The third sector

**Provide generic assistance to all businesses**

Assistance will be available to all new and established businesses (not only SMEs) that wish to maintain their relative position in the market, to ensure there is not a drop in economic activity. The importance of wealth-generating micro-business in Cornwall and the Isles of Scilly is recognised, and it is essential that generic support is offered to these businesses. Long-established businesses that are adjusting to new markets will also be assisted where possible through this transition. The services that will be provided include the provision of information, signposting and desk-based support.

**Establish business financing and investment models for the knowledge economy**

This will involve building on the established mechanisms, promoting the further development of crucial business services, including banking, and information technologies for investment in business. New models will be created to engage both public and private investment in both new and existing knowledge economy businesses, e.g. seed capital funds, risk capital funds and 'business angels' activity.

**Simplify and co-ordinate delivery mechanisms**

Current or additional levels of information, diagnosis and brokerage (IDB) should be delivered through the Business Link brand. However, the extra resources that will be provided by the new EU funding programmes offer opportunities to enhance programmes of support in line with business needs. This will include investigating and developing new innovative ways of delivering high quality, flexible business support so that it is more effective and designed to meet the specific needs of a rural dispersed, predominantly micro-business base. Such simplified mechanisms, coupled with the encouragement of more private sector engagement on the part of high-value suppliers of business support, will bring innovative solutions for SMEs.

**Lead partner:** Business Link

**Lead partnership:** Cornwall and Isles of Scilly Economic Forum
Objective:

**Encourage Sector Development**

To achieve sustainable prosperity with opportunity for all by increasing the contribution that high-value sectors make to the economy of Cornwall and the Isles of Scilly. Over time, the economy of Cornwall and the Isles of Scilly will:

- Become more diverse and robust and rely less on sectors with low levels of productivity.
- Include a greater contribution from sectors with high productivity and local specialism.
- Feature one or more sectors recognised as being of international importance, including environmental technologies.

**Why this is important**

This Objective arises in response to the following identified key challenges:

- To increase levels of business productivity and innovation, and numbers of exporting businesses along with product and process development
- To re-position the local economy within the wider economic space by rising to the challenges associated with the expanded market in the enlarged EU through identifying areas of distinct competitive advantage
- To build on enterprise opportunities arising from the development of measures to meet the challenge of climate change.
- To develop a model knowledge economy for the 21st century, set within a rural context.
- To manage the demographic ageing of the population to benefit the economy.
- To reduce recruitment and skills shortages by improving the skills base and availability of jobs to match in appropriate sectors.
- To increase the level of higher-paid and higher-skilled employment along with an increase in the number of graduates with the relevant qualifications.

There is a need to provide intensive additional support to ‘fast-track’ sectors which have the potential to significantly contribute to the local economy. This Objective seeks to specifically address this element of Cornwall and the Isles of Scilly’s economic development. Meanwhile the knowledge economy and Business Support Objectives take a non-sector approach to developing the economy, in order to be inclusive to all businesses that are high value, innovative and that utilise knowledge.

Cornwall and the Isles of Scilly has a limited home market. Moreover, the area’s distance from major UK and global markets and established knowledge-exchange systems presents a further challenge to local firms. These factors increase the need to co-ordinate efforts between same-sector businesses in accessing external markets and improving productivity.

There are a number of strong sectors to be built upon, as well as local opportunities to be grasped. For example, environmental technologies, the marine sector (including leisure, science and technologies) and advanced engineering (including aerospace)
Highly productive sectors (such as advanced engineering/aerospace, environmental technology and marine technology) have the potential to contribute much more to the local economy.

Highly productive sectors (such as advanced engineering/aerospace, environmental technology and marine technology) have the potential to contribute much more to the local economy. In addition, marine is also a local specialism, along with food and drink (including primary production), the visitor economy and creative industries. Particularly large sectors (in terms of employment or GVA), such as retail and the visitor economy, will also need support to modernise and become more competitive, especially in the area of skills development. The adult social care sector is also important to the economy, in part to recognise and manage the challenges arising from the demographic ageing of the population.

Poor productivity in Cornwall can partly be explained through analysis of the sectoral structure of the area: the local economy has a high level of activity (in terms of employment and GVA) in sectors that have low productivity, and a low level of activity in sectors that have high productivity. For example, as the graph (previous page) shows, of the five sectors that have employment levels above the national average level, only one, marine, has an above-average productivity level.

The response by Cornwall and the Isles of Scilly to increasing competition from the new EU accession states is to focus, in part, more explicitly on sectors and activities where the UK as a whole, already holds a significant competitive advantage.

Highly productive sectors (such as advanced engineering/aerospace, environmental technology and marine technology) have the potential to contribute much more to the local economy. For example, a South West study used for the Regional Economic Strategy estimates that environmental technologies and marine technologies have productivity levels 97% and 41% higher than the overall cross-sector average, respectively (as shown in the graph on the previous page).

The Sectors Forum has been established to represent the views of a wide range of sectors and generate cross-sector best practice. Benefits of this cross-fertilisation include sharing experience in terms of productivity and skills improvements, thus enabling Cornish businesses in specific sectors to compete more effectively. Further investment in this approach is necessary to add greater value.

### Contribution to Guiding Principles

<table>
<thead>
<tr>
<th>A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society</th>
<th>Encouragement of high-value sectors to share knowledge, develop best practice and form clusters is important to the knowledge economy. Developing sectors’ unique selling points through this new approach, and through skills development, innovation and broader utilisation of ICT, will add value to the economy.</th>
</tr>
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<tbody>
<tr>
<td>B. To ensure environmental sustainability</td>
<td>The high-value environmental technology sector will be encouraged, supported and developed as far as possible. In addition, information sharing is encouraged in relation to environmental best practice and management.</td>
</tr>
<tr>
<td>C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence</td>
<td>Supporting both high-value sectors and those with local importance, such as the marine sector and the visitor economy, will add value to business and assist towards bridging the divide.</td>
</tr>
</tbody>
</table>
D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors. Some elements of networking, clustering and supply chain benefits will assist small businesses and entrepreneurs. This Objective also aims to facilitate inward investment of high-value businesses and wealth-creators.

**Actions**

**Determine the unique selling points (USPs) and potential of each of the important sectors.**

This action will build on and adapt the best practice developed by recent sector-support activity in Cornwall and the Isles of Scilly, the current Learning and Skills Council (LSC) Phase 7 investment, and investment undertaken in other regions (for example, the Highlands & Islands’ Fusion and Horizon programmes).

**Foster and enhance sector and cross-sector engagement**

This action is also a fundamental element in order to deliver the Stimulate Innovation and R&D Objective. It will entail:

- Implementation of a fully cohesive approach to focussed support which recognises the sectors best-placed to understand need and appropriate delivery mechanisms. This will include the facilitation of early-stage development for new sector organisations.

- Provision of ongoing support for sector networks that have proven capabilities and/or identified potential with commitment to innovation, flexibility and responsiveness in developing models of sector support.

- Increase of knowledge exchanges between business sectors via a cross-sector approach, by creating and/or intensifying direct links with other western European economies (in Ireland, France and north-west Spain) and investing in activities which maintain a fixed locational advantage (e.g. those relating to culture, history and geography).

- The development and maintenance of links with regional/national sector networks to ensure alignment and adoption of best practice.

- Maximise the added value of the creative industries input to other sectors by fostering innovation and creativity in all sectors, and marketing this effectively to attract new business.

**Provide a structured business and skills development programme**

- Facilitate the application of sector-specific knowledge and/or new technologies, whether product or service-driven. Take advantage of export opportunities through exploitation of the Cornwall brand and opportunities provided by European Denomination of Protected Origin schemes (e.g. Cornish clotted cream).

- Develop and offer sector specific skills training, including training on the application of new products or service technologies, and develop links with Sector Skills Academies. This action links with the Workforce Development Objective.

- Maximise the use of ICT within all businesses with the aim to get all businesses online. This action links with the Information Society for All Objective.
Other partners include:

- Business Link
- CoaST
- Combined Universities in Cornwall
- Cornwall Aerospace Defence Initiative
- Cornwall Agricultural Council
- Cornwall Chamber of Commerce and Industry
- Cornwall Destination Management Organisation
- Cornwall Engineering Group
- Cornwall Fisheries Resource Centre/Seafood Cornwall
- Cornwall Manufacturers’ Forum
- Cornwall Marine Network
- Cornwall Pure Business
- Cornwall Sustainable Building Trust
- Cornwall Taste of the West
- Country and District Councils
- Creative Skills
- Digital Peninsula Network (DPN)
- Digital Peninsula Network (incorporating Wired Cornwall)
- Environment Kernow
- Finance Cornwall
- Learning and Skills Council
- Manufacturing Advisory Service
- Private-sector institutions, firms, Intermediaries and training organisations
- South West Investment Group
- South West RDA
- South West Tourism
- University College Falmouth
- Workforce Development Group

Improve Competitiveness: Provide Business Support

- Exploit the sector specific knowledge transfer expertise of relevant local, regional, national, and international HE institutions to the full commercial advantage of Cornwall’s sectors and their constituent businesses.

- Build on and integrate the sector development potential offered by the pilot incubation centres at the CUC in Tremough, Omega and the Cornwall Medipark, with opportunities to roll out additional developments in North and South East Cornwall.

- Facilitate access to finance for businesses within key sectors where specific finance is warranted outside of generic finance models.

Encourage inward investment of relevant high-value added businesses

Further encourage the inward investment of relevant high value-added businesses in particular sectors into the area to supplement indigenous stock and to build on and stimulate sectoral supply chains through programmes such as Cornwall Pure Business Phase 2.

Support the development of environmental technologies

This Objective will play an important role in the development of a new major industry for Cornwall and the Isles of Scilly, by supporting actions relating to the design, development and production of environmental technology and renewable energy products and services. It will provide finance, support and access to new markets along with both generic and specialist business support in terms of product development and marketing. There will be a link to the Business Support and Innovation and R&D Objectives.

Support and develop sectoral and other local supply chains

Better use of local sourcing and the management of local and rural supply chains will maximise opportunities for businesses within and outside of Cornwall and the Isles of Scilly to work together, to develop strength and economic security within sectors and to retain wealth in the area. Local sourcing and local supply chains will assist in reducing the impact of rising fuel prices, reduce the carbon footprint of ‘food miles’ and help towards securing an element of self-sufficiency in the area. In addition, the public sector has a significant role to play in terms of maximising local procurement opportunities.

Adopt a sophisticated new approach to quality and the use of ICT, specifically in the visitor economy via ‘Quality Cornwall’

With the visitor economy contributing significantly to the overall economy, it is essential that improvements are made to the profitability and productivity of Cornwall’s tourism businesses. This will be undertaken through:

- A focus on quality improvements via training, investment and advice programmes.

- A major investment in ICT capacity in visitor information, marketing and booking systems.

- A major co-ordinated investment in marketing to new potential visitors, particularly those with higher spend rates and those that visit out of the main summer months, through a new programme, ‘Quality Cornwall’, co-ordinated through the Cornwall Destination Management Organisation.

Lead partner: Cornwall Enterprise

Lead partnership: Sectors Forum
Objective:
Transformation into an Information Society for All

To achieve sustainable prosperity with opportunity for all by utilising information and communications technology (ICT) and the internet as a key enabler of economic and social change in Cornwall and the Isles of Scilly.

Why this is important
This Objective arises in response to the following identified key challenges:

- To increase levels of business productivity and innovation, and numbers of exporting businesses along with product and process development
- To re-position the local economy within the wider economic space by rising to the challenges associated with the expanded market in the enlarged EU through identifying areas of distinct competitive advantage
- To build on enterprise opportunities arising from the development of measures to meet the challenge of climate change.
- To lead the way in further development of broadband, ICT and digital media.
- To develop a model knowledge economy for the 21st century, set within a rural context.
- To improve transport infrastructure and access to services as well as addressing the problems associated with increasing traffic congestion.

Every single man, woman and child will benefit, through enhanced possibilities for learning and interaction, an improved work-life balance enabled by flexible working, and the opportunities afforded by a knowledge economy. Others will benefit though improved healthcare delivery and lifelong learning. Businesses will be able to compete on a world stage and communities can become stronger through instant communications.

The introduction and take-up of broadband in Cornwall was accelerated by the Objective One programme, creating a county with a leading rate of broadband growth amongst businesses for a rural area. As technology and markets move on, it is vital that emerging opportunities continue to be exploited, so that the county does not lag behind. Recent improvements in broadband technology mean that those in towns, cities and close to telephone exchanges can now enjoy internet speeds significantly faster than those in rural areas. This has, however, created a new digital divide, as innovative applications often depend on these higher speeds.

The economic, environmental and social benefits of ICT are especially important in a rural area such as Cornwall and the Isles of Scilly. Broadband communications enable businesses and individuals to work in new, smarter ways, often from remote locations, reducing the need for travel and bringing environmental benefits. The increased use of ICT stresses the importance further for the need to generate more energy locally. Access to eGovernment and telecare services enable better care in the community for the elderly, whilst residents and visitors alike are able to access information and purchase products and services online.

We now have availability of broadband throughout the county, but there is considerable work to be done to ensure that businesses and individuals can make the most of the technology. 34% of businesses in Cornwall do not use ICT, and...
over 50% do not use broadband. There is a need to support further investment in technology, skills development and increased use of e-business, as well as to address the new digital divide created by next-generation technologies.

Next-generation broadband technologies exploiting the copper-wire infrastructure will be extremely dependent on the line length from local exchanges, perpetuating an urban/rural digital divide. 51% of such lines in Cornwall are over 2km long, and are thus unlikely to deliver the full benefits of these technologies. Investment must be made to ensure Cornwall and the Isles of Scilly leads the way when it comes to connectivity in a rural economy.

**Contribution to Guiding Principles**

A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society
   - ICT is a fundamental feature of a knowledge economy, even more so for a rural knowledge economy. The provision of advice, support and access to ICT infrastructure encourages information sharing as well as significantly enhancing marketing and export potential.

B. To ensure environmental sustainability
   - Maximising the use of ICT offers significant environmental benefits, among the most important of which is reducing the need to travel by enabling new technologies such as video and teleconferencing.

C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence
   - This Objective aims to provide access to ICT for both businesses and communities. It is not only the overall economic advantages that are important here, but also the skills needed to actually use ICT. Extending such skills more widely can provide more people with invaluable access to services and information, thus improving well-being.

D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors
   - Specific actions are included to support wealth-creation with specialist support and advice along themes identified as delivering the greatest business benefits, such as flexible working, eBusiness, networking and eProcurement. Businesses able to demonstrate significant growth potential through the exploitation of ICT will be offered a ‘Rolls Royce’ service.
Actions

Provide the infrastructure to be a leading-edge centre of broadband connectivity

This will involve an infrastructure programme to deliver a number of partnership projects, including:

- 100% coverage of leading-edge broadband for the rural economy.
- The provision of bandwidth equivalent to any UK city for the 18 key towns (as specified by the Cornwall Key Towns Study), enabling them to compete on a global playing field.
- Two or three locations with ‘unlimited’ bandwidth, acting as a magnet for innovative businesses. Options should include an iconic centre strategically located (e.g. near Newquay Airport) and/or an entire town or city, along with a rural location (for example West Penwith).
- Exploring all avenues to evaluate the longevity of any investments made as the technologies for delivering these services are varied, allowing for continued exploitation beyond the timescales of the EU Convergence Programme. Technologies could include next-generation wire-based technologies over the existing copper infrastructure; wireless technologies, including fixed, nomadic and mobile applications; fibre optic technologies, providing true future-proofing; mobile phone technology and coverage.
- Support for the development of digital marketing to overcome barriers to rural business and provide new access to world wide markets

Ensure that every business gets online

This will be undertaken through an integrated approach that reaches out to all businesses.

- By sector: Propositions aimed at sectors such as farming, tourism, and food and drink will emphasise particular benefits. The use of the digital media content and its distribution will enhance business competitiveness, remote working, public services and cultural development.
- By theme: Themes that offer value to businesses across sectors will be exploited, including flexible working, eBusiness, networks, business continuity and eProcurement. A toolkit approach will ensure the benefits are delivered as widely as possible.
- By geography: A deep understanding of the variances in take-up, from real hot spots like Falmouth/Penryn to lagging areas, will allow the benefits to be driven home across Cornwall in highly targeted ways. There are also opportunities to promote the wider use of technology such as video and teleconferencing, which reduce the need to travel and are thus advantageous in terms of productivity increases and environmental benefits.
- By developing links to the digital media sector to generate content which will add value to the ICT infrastructure.
- By supporting the development and application of new business models and networking processes to support commercial and social enterprises and communities, maximising the potential of ICT.
Create wealth through connection

Delivery of ICT advice and support to businesses through a range of mechanisms, including a basic level of support available to every business, is likely to include:

- A phone hotline for ICT advice and support
- A drop-in centre, which will offer 1:1 advice as well as demonstrating a full range of basic and cutting-edge applications and a sample home office.
- Specialist support and advice by themes identified to deliver the greatest business benefits, such as flexible working, eBusiness, networking and eProcurement.
- A ‘Rolls Royce’ service for businesses able to demonstrate significant growth potential through the exploitation of ICT.

A strong vertical ICT sector is an essential pre-requisite if businesses are to realise the benefits enabling them to source their needs and marketing provision locally with confidence.

Ensure that there are opportunities for every household to get online

This will be achieved by tackling barriers with a series of initiatives:

- Taking ICT into the most challenging and deprived areas, e.g. by working in partnership with the UK charity Everybody Online. Disability issues will also need to be considered.
- A computer recycling initiative to get used Personal Computers (PCs) to sections of the community where they are really needed – to school children without a home PC, to the workless and the elderly.
- Local information networks. Content will be delivered through a variety of devices (the PC will never be the device of choice for everyone) and will open channels for delivering other citizen benefits such as eGovernment initiatives, telecare and education.
- Not-for-profit internet service provider (ISP) initiative offering connection subsidy for deprived households.
- Active and inclusive use of ICT provision will be encouraged through support for initiatives to develop home grown digital media content to engage audiences and communities.

Deliver the benefits of eLearning

This will be undertaken with the Cornwall Learning Network to provide the infrastructure for ICT to develop, deliver and promote eLearning opportunities. Activities will include:

- eCommunity partnerships to overcome mobility problems, address core employability skills and tackle worklessness.
- Development of eLearning materials as part of a blended learning solution to support the training needs of employers and employees.
- Promotion of all learning opportunities and pathways through to HE.
- Creation of centres of excellence and skills academies in key vocational areas such as ICT and establishing links between the centres.
- Use of ICT to remove barriers and create parity of access for learners.
**Strategy and Action**

**Connect communities**

This will be undertaken by developing wired community-based workspace space for flexible workers and home-based businesses. School buildings have enormous potential to provide facilities for use outside of school hours. Connection of communities is an important action that is also reflected in several other Operational Objectives and also highlights the need for local solutions to energy generation.

**Deliver beacon projects**

To prove that Cornwall and the Isles of Scilly is serious about ICT, beacon projects will be developed which will make a difference, lead the way and prove that peripherality is not a barrier to competitiveness. For example:

- A flexible-working project to make Cornwall the flexible working capital of the UK, which should include an eRural agenda.
- Telecare, enabling people to have more care in the community.
- eGovernment, delivering government and local services in an efficient and accessible way.
- eMarketplace, opening up opportunities to businesses through engagement and collaboration.
- eTown, a true beacon and magnet for innovators in a knowledge society.
- eVisitor, a sophisticated new information and purchasing system for visitors.
- Promotion of Cornwall and the Isles of Scilly as a leader in ICT through the Cornwall brand programme.
- Broadband TV/IPTV/Digital Challenge, the development of infrastructure and high quality content to engage communities and reach world-wide audiences/markets.

**Other partners include:**

- British Telecom
- Business Link
- Cisco
- Combined Universities in Cornwall
- Cornwall Agricultural Council
- Cornwall Film
- Cornwall Learning Network
- Cornwall County Council
- Cornwall District Councils
- Digital Peninsula Network/Wired Cornwall
- Learning and Skills Council
- Learning Partnership
- Microsoft
- Rural Cornwall and Isles of Scilly Partnership
- South West RDA
- Sun

**Lead partner:** Cornwall Enterprise through actnow

**Lead partnership:** ICT Task force
Objective:

**Ensure Energy Sustainability**

To achieve sustainable prosperity for all by placing energy sustainability at the heart of the future economic development and growth of Cornwall and the Isles of Scilly, to establish the region as a national and European exemplar for sustainable energy, and to create the mechanisms for this to be achieved in the most cost-effective manner.

**Why this is important**

This Objective arises in response to the following identified key challenges:

- To re-position the local economy within the wider economic space by rising to the challenges associated with the expanded market in the enlarged EU through identifying areas of distinct competitive advantage.
- To build on enterprise opportunities arising from the development of measures to meet the challenge of climate change.
- To develop a model knowledge economy for the 21st century, set within a rural context.
- To improve social, economic and environmental conditions in deprived areas.
- To ensure the sustainability of the Isles of Scilly.

In 2002 Cornwall’s estimated annual energy bill was £579 million, of which 98% left the local economy. This highlights the area’s reliance on external sources of energy supply, but also demonstrates the potential contribution that local energy generation could make to the economy. Recent increases in energy prices (by more than 40%) have significantly raised the costs and reduced the competitiveness of local businesses.

High energy costs also impact significantly on disposable household income and economic well-being. Cornwall has the highest level of households in the South West region that are unable to afford their energy bills (known as ‘fuel poor’): an estimated 45,489 households. There are also serious implications for the environment stemming from the ways in which energy is generated and used, particularly in transport and industry, which together represent over 50% of carbon emissions in Cornwall and the Isles of Scilly. Climate change is already beginning to have huge impacts upon our economy, and future predicted negative effects such as rising sea levels will continue to put our communities and businesses at risk. Renewable sources of energy not only provide a more secure source of energy supply, they are also effective in reducing CO₂ emissions.

Climate change and oil depletion present a serious economic challenge. On 30 October 2006 the Prime Minister and the Chancellor of the Exchequer released Sir Nicholas Stern’s *Review on the Economics of Climate Change*. Its findings demonstrate the huge overall costs and risks of climate change, stating that failure to take urgent action will be equivalent to losing at least 5% of global GDP each year, with worst-case scenarios potentially draining 20% or more from global GDP. In contrast, however, the report concludes that, with immediate action, the costs of counteracting global warming can be limited to around 1% of global GDP each year, and that the move towards a low-carbon economy will also open huge market opportunities, for example in low-carbon technologies, which will be worth at the very least $500bn.

Cornwall is ideally positioned to benefit from the huge economic opportunities related to climate change mitigation. Already the leading county in the South West for installed renewable energy capacity, and with a world-renowned heritage of
engineering and innovation, Cornwall has the ability to develop further innovative and sustainable solutions to challenges of energy generation and usage. These solutions can present real market opportunities through the growth and worldwide transfer of knowledge, experience and products, whilst also ensuring the competitiveness of our business operations and the minimisation of carbon emissions.

### Contribution to Guiding Principles

| A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society | Developing a sustainable energy industry requires innovation, creativity, skills and knowledge share, which are all basic constituents of a knowledge economy. |
| B. To ensure environmental sustainability | Putting energy sustainability at the heart of economic development and regeneration will contribute significantly to the reduction of environmentally harmful emissions. |
| C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence | The value of the sustainable energy sector will encourage skills development and provide higher earnings for local people. Elimination of fuel poverty will help increase disposable incomes, improve health and bridge the social divide. |
| D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors | Establishing the area as a centre of excellence for sustainable energy will attract investment from businesses in this high-value sector. There is substantial opportunity for entrepreneurs to innovate and develop new environmental technologies in close liaison with academia. The generation and use of local energy sources and improved energy efficiency will add economic to all sectors. |

### Actions

**Establish a ‘low-carbon’, competitive economy for Cornwall and the Isles of Scilly**

Cornwall and the Isles of Scilly will take the lead in creating an economy based on carbon reduction, establishing an exemplar model for other regions to follow. A robust ‘carbon test’ methodology will be developed and applied to all planned projects and programmes. Actions will be required to reduce predicted carbon emissions, principally through the reduction of energy demand and an increase in the use of local and renewable energy sources. In the case of all new development, a target will be set for incorporating renewable energy technologies. Where this is not possible, ‘offset’ schemes will be required that will fund projects to counterbalance any increased emissions from such developments. This would apply, for example, to the expansion of air travel at Newquay Cornwall Airport. A mechanism will need to be created for this to be achieved in the most cost-effective manner.
Create sustainable energy jobs and industry

Prioritise sustainable energy in planning and development

Through the Cornwall Sustainable Energy Partnership, planners from each Local Authority are working to develop a model planning policy that will be introduced across Cornwall and the Isles of Scilly and that will require all new building developments to provide sufficient on-site renewables to reduce carbon emissions from energy use by users of the building by a minimum of 15% initially. Further work will be undertaken to review this percentage and increase this in the future as is practical and achievable. The concept of ‘whole-life costing’ will be widely promoted within Cornwall and the Isles of Scilly to ensure that the longer term costs associated with occupying a building are taken into account from the start. This will also apply to business operations and service provision. Energy generation and demand will be planned from the outset in any large scale regeneration and development project. The impact of rising fuel costs will be factored into all future economic development policies, programmes and strategies.

Increase competitiveness and sustainability of local energy generation and use

The first step to securing energy supply is to significantly reduce energy demand. The urgent need to reduce energy consumption, and advice on how to do so, will be communicated across all sectors in Cornwall and the Isles of Scilly. Increasing the generation and use of local energy sources will reduce the exposure to rising energy costs and ensure that the local business community can compete on a global scale. Support will be given to further maximising the area’s abundant indigenous renewable energy resources (wind, biomass, marine, tidal and solar), through for example the integration of on-site renewables into existing buildings. Infrastructure to support local energy generation will be strengthened and extended. Mechanisms for the creation of local energy service companies will be consolidated through public/private partnership.

Eliminate fuel poverty

In line with Government targets, fuel poverty will be eliminated in Cornwall and the Isles of Scilly by 2016. This will tackle economic and social divides, increase disposable income and stimulate market demand for increased skills and employment. It is estimated that 80% of fuel poverty can be eliminated through the retrofitting of standard energy efficiency measures and on-site renewables. The remaining households experiencing fuel poverty will be addressed through a combination of targeting those properties that fail to reach Standard Assessment Procedure (SAP) 65 and income-maximisation activities. To achieve this target locally, existing fuel poverty schemes such as Home Health, which has already installed free energy efficiency measures in over 5,000 homes in Cornwall, will be maintained and extended across the whole of Cornwall and the Isles of Scilly.
Create sustainable energy jobs and industry

For the South West as a whole it is currently estimated that the renewable energy sector directly supports 1,140 FTEs (full time equivalent jobs) and contributes approximately £34 million to the regional economy (2004–2005). The energy efficiency sector is estimated to support nearly 400 FTEs and generate GVA of approximately £11.5 million annually. Both sectors are projected to grow significantly over the current and forthcoming decades, with the renewable energy sector alone potentially supporting between 14,000 and 17,000 FTEs by 2020.

Public and private support will be identified to ensure the implementation of the Wave Hub project, in order to establish Cornwall and the Isles of Scilly as the world leader in marine energy. The Wave Hub has the potential to attract substantial investment into Cornwall and to create opportunities for new local, skilled jobs in supply chain, maintenance and manufacturing. The creation of a centre of excellence in marine energy will contribute towards the development of a knowledge-based economy.

Creation of a supply chain of biomass resource will facilitate widespread installation of bio-energy systems in the region. Involvement in a local bio-energy industry will enable many rural businesses to earn additional incomes. Biomass is an essential element for developing alternative fuels (for example for use by industries currently reliant on fossil fuels), as well as offering more sustainable local sources of energy for heating. The development of Cornwall as a leading example of such energy efficiencies is also an increasingly important component of the attractiveness of the Cornwall brand image, which can underpin the distinctiveness agenda and thereby also contribute to a higher-value visitor economy.

Local provision of energy-related education and training will be extended to ensure that the skills exist to support the increased demand for renewable and energy efficiency technologies. The development of a knowledge-based sustainable energy sector will also require additional energy related courses and research capacity in higher education.

Improve the means of energy distribution

Some of the distribution channels for energy in Cornwall and the Isles of Scilly do not provide the range, reliability or capacity for a modern economy. Addressing this problem will involve, for instance, encouraging electricity distribution companies to invest and improve their distribution channels. There will also be opportunities for private wire installation between renewable energy generators and energy users.

Other partners include:

The 72 organisations that are signatories to the Energy Strategy for Cornwall, with each playing a role in helping to deliver the actions and targets described above.

Combined Universities in Cornwall
Cornwall Agricultural Council
Cornwall County Council
Cornwall’s District Councils
Council of the Isles of Scilly
DEFRA
Department for Communities and Local Government
Department of Trade and Industry
Government Office South West
National Lottery
Renewable Energy Office for Cornwall
Rural Cornwall and Isles of Scilly Partnership
South West RDA

Lead partner: Cornwall Sustainable Energy Partnership (CSEP)

Lead partnership: Cornwall Sustainable Energy Partnership (CSEP)
Theme 2

Develop People

Cornwall and the Isles of Scilly will be a place where all people who wish to work have access to the advice, skills development and opportunities they need to progress towards, enter, remain in and develop in work. All people in Cornwall and the Isles of Scilly will have the skills, abilities and aptitudes they need to contribute towards the ambitious economic agenda that has been set. An economically inclusive community will be built on higher wage levels, sustained low unemployment and equality of employment opportunities for all, thus contributing to higher productivity per head of population. This will be achieved by local workforce development as well as by attracting new talent into the region. Cornwall and the Isles of Scilly is committed to unlocking the potential of its people by achieving exemplar status in its assistance to those who are not in work and by developing the knowledge resources of its higher education sector.
Objective:

**Provide Economic Inclusion Opportunities for All**

To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly by identifying and removing the barriers to economic inclusion, reducing unemployment and worklessness, and supporting and encouraging disadvantaged groups and the ageing population. Greater economic inclusion will, in turn, lead to an increase in the quality and supply of labour to the work place; generate a more productive economy measured in GVA per head of population, and greater well-being for the people living in the area.

**Why this is important**

This Objective arises in response to the following identified key challenges:

- To develop a model knowledge economy for the 21st century, set within a rural context.
- To address the persistent levels of worklessness, acknowledge and increase the contribution of those outside the labour market.
- To manage the demographic ageing of the population to benefit the economy.
- To reduce recruitment and skills shortages by improving the skills base and availability of jobs to match in appropriate sectors.
- To increase the level of higher-paid and higher-skilled employment along with an increase in the number of graduates with the relevant qualifications.
- To respond quickly to business/industry closure.
- To improve social, economic and environmental conditions in deprived areas.

Economic activity rates in Cornwall and the Isles of Scilly are close to the national average, although slightly lower than levels seen in the South West as a whole. The need to address high levels of unemployment has reduced as the claimant count in Cornwall and the Isles of Scilly has fallen steadily since 1998. Successful interventions such as ‘New Deal’ have reduced youth and long-term unemployment to below national rates. Attention now needs to be turned to tackling high incidences of worklessness and economic inactivity across Cornwall and persistent pockets of unemployment at neighbourhood level.

13.2% of the working-age population in Cornwall are workless as defined by key benefits data. The vast majority of those benefit claimants (nearly 70%) are receiving benefits due to ill health. Currently, £800,000 per day is spent on working-age benefits in Cornwall. There are significant variations across districts, and further work will be done as part of the Cornwall Works Strategy to look at variations within districts, exploring pockets or concentrations of worklessness at sub-ward level.

The majority of new incapacity (sick and disabled) benefit claimants expect to return to work, and a significant proportion do not have incapacities which would stop them from doing so however, once a person has been on a health benefit for six months there is a 50% chance of them being on that benefit four years later. Once on a health benefit for 12 months, the average length of stay is around eight years. In fact, there is a greater chance that such people will retire or die than return to work. This highlights the need for a dual approach that combines early intervention to prevent people from becoming unemployed or dependant on long-term benefits together with pathways to employment for people whose worklessness and inactivity is more entrenched.
Strategy and Action

The 2001 Census identified that 47.5% of people recorded as economically inactive in Cornwall were retired compared to 40.7% nationally. Over 63,000 people in Cornwall under the age of 75 are retired (2001 census). The higher proportions of the population in the older age groups, coupled with the projections of further exception growth in numbers in the 50+ age group, has significant implications for the local economy. More demand for certain services or type of businesses will provide both challenges and opportunities. For example, elderly care services and leisure facilities directed at older people. Cornwall and the Isles of Scilly must prepare and plan for the opportunities and challenges this demographic change will present.

According to the 2001 Census, there are 55,800 people who provide unpaid care in Cornwall and the Isles of Scilly (11.1% of the population) which is higher than the national rate of 10%. Of these, 13,200 provide more than 50 hours of care each week. Also, a higher proportion of the working age population in Cornwall and the Isles of Scilly is disabled (22%) compared to the South West and UK (18% and 19% respectively). The economic activity rate for people with disabilities is 57% which is higher than the UK level (53.5%) but lower than South West level (61.0%). The gap is also more apparent for females (3.3 percentage points), and reducing the gap between local and regional female economic activity rates may increase the supply of labour.

Contribution to Guiding Principles

<table>
<thead>
<tr>
<th>A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society</th>
<th>The provision of demand-led training and recruitment activity and post-employment support to progress the development of the knowledge economy.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. To ensure environmental sustainability</td>
<td>Using environmental activity as a tool for engaging those who are outside the labour market, for example through environmental volunteering activity. Training should also raise awareness of environmental issues and alternative modes of travel. Also, in some instances people will be trained specifically for the environmental sector.</td>
</tr>
<tr>
<td>C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence</td>
<td>This is the main focus of this Objective, the aim being to ensure that people who are economically and socially disadvantaged are given the help and support they require to participate in the labour market.</td>
</tr>
<tr>
<td>D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors</td>
<td>Increasing the pool of skilled, flexible and work ready labour across all levels and sectors.</td>
</tr>
</tbody>
</table>
Deliver interventions that focus on prevention of unemployment and long-term benefit dependency

**Actions**

The following actions will support all people who are not working who aspire to work, however additional targeted assistance will be required for groups who are particularly disadvantaged in the labour market including:

- People with health problems and disabilities.
- Parents and carers.
- People aged 50 and over.
- Young people not in education, employment and training.
- People whose first language is not English.

Deliver interventions that focus on prevention of unemployment and long-term benefit dependency

- Support for people affected by large-scale redundancies, including advice, information and guidance, upskilling and routeways into alternative work.
- Job-search skills and job-search support skills training for employability, skills for life and vocational skills to the required level.
- Capacity building to enable existing provision and partners to join up activities and develop coherent pathways to employment, as well as multi-agency training to ensure appropriate interventions.
- Provision and encouragement of volunteering activity and pre-employment programmes to maintain skills and motivate the development of informal networks.
- Condition-management programmes to enable those with health-related illnesses to progress towards work.
- Work with employers to ensure progression into jobs with training, and support for people who are underemployed to enable them to reach their full employment potential.
- Identify and provide for the skills needs of migrant workers and minority ethnic groups (for example to reduce language barriers)
- Inter-generational activities to support all age integration utilising and sharing the expertise and experience of others
- Programmes and a marketing strategy to raise aspirations for a higher-wage economy with year-round employment opportunities
**Strategy and Action**

Deliver interventions focusing on longer-term worklessness and economic inactivity.

- To identify and overcome barriers to participation for all people outside of the labour market.
- Development of models of engagement and support through the third sector, the creative sector and other sectors, including community development activity where this is clearly linked to a pathway to employment model, building on and exchanging existing good practice in this area. The development of new enterprise/self-employment can be a route out of long-term worklessness.
- Development of multi-agency/multi-sector pathways to employment programmes that combine innovative methods to engage people who are furthest from the labour market with the provision of 1:1 support to identify and overcome their barriers to progression.
- Significant capacity building to enable the third sector and the creative sector to develop models of support, working with communities and contributing effectively to the delivery of multi-agency approaches to increasing economic inclusion.
- Development of demand-led routeways to work: activity that meets the recruitment and skills needs of businesses by supporting people who are most disadvantaged in the labour market to take advantage of such work and training opportunities. This could include the provision of incentives such as wage subsidies and the provision of post-employment support for both businesses and employees.
- Work with employers to increase the diversity of their workforces and overcome barriers within their recruitment processes and working practices that might prevent particular groups from working for them (e.g. lone parents, offenders, people with disabilities and health problems).
- Providing opportunities for retired local people to contribute to the knowledge economy by utilising their knowledge and experience.
- Additional support and encouragement for full time unpaid carers (including for those who care for the elderly, people with disabilities or who have child-minding responsibilities) to enter or re-enter the workforce such as the provision of increased care services and leisure activities for the elderly.
- Activities that focus on the transition to work such as assistance with money management and transport.
- Recognise the skills and knowledge of the older generation and create opportunities to utilise this expertise for the benefit the economy.

Other partners include:

- Arts for Health
- Business Link
- Combined Universities in Cornwall
- Cornwall Centre for Volunteers
- Cornwall Infrastructure Partnership
- Cornwall Sports Partnership
- Council Cornwall County Council
- CPR Regeneration
- Creative Unit and sector partners
- District Councils
- Employer Forums
- Employers
- Government Office South West
- Health Service/Primary Care Trust
- Inclusion Cornwall
- Learning and Skills Council
- Learning Partnership
- Local Strategic partnerships
- Police and Probation Service
- Sector Skills Councils/Forums
- South West RDA
- The third sector
- Training providers
- Voluntary Sector Forum

**Lead partner:** Job Centre Plus

**Lead partnership:** Cornwall and Isles of Scilly Economic Forum
Objective:

**Provide the Best Start for Young People**

To achieve sustainable prosperity with opportunity for all by ensuring that young people have the best start in life, by raising aspirations, achievement, self esteem and success levels and making Cornwall and the Isles of Scilly an attractive area for young people to live and work.

**Why this is important**

This Objective arises in response to the following identified key challenges:

- To raise aspirations and encourage competitiveness amongst existing businesses and improve the range and quality of new business starts
- To develop a model knowledge economy for the 21st century, set within a rural context
- To address the persistent levels of worklessness, acknowledge and increase the contribution of those outside the labour market
- To reduce recruitment and skills shortages by improving the skills base and availability of jobs to match in appropriate sectors
- To increase the level of higher-paid and higher-skilled employment along with an increase in the number of graduates with the relevant qualifications
- To improve social, economic and environmental conditions in deprived areas

If Cornwall and the Isles of Scilly is to build a successful knowledge economy, its young people must have the right skills, qualifications and motivation. The focus should be on preparing young people for working life.

Although the percentage of students achieving 5 A*-C GCES has risen in Cornwall over recent years, the rate of growth has been lower than in England as a whole and has now fallen further behind.

The difference in A-level attainment levels between Cornwall and England as a whole is not as marked as that recorded at GCSE level, but there is still a gap in achievement. The average points score in Cornwall in 2004/5 was 76.7, as against a score of 79 across both the South West and England as a whole.

In addition to improving exam performance, more young people need to develop enterprise skills and aspirations and skills that meet the needs of business, including literacy and numeracy. This must be achieved through the co-operation and collaboration of all education and industry partners. This is particularly important for the large numbers of young people who are less suited to academic routes of progression.

Young people who are economically excluded or not in employment, education or training (NEET) are an untapped economic resource and should be motivated and encouraged so that they can contribute to the economy. Although the numbers are relatively small, early intervention and focussed support is required to re-engage young people at the earliest opportunity.
Strategy and Action

Contribution to Guiding Principles

A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society

This Objective aims to raise aspirations and embed a creative and innovative mind-set at the earliest age possible, providing opportunities and skills development to contribute significantly towards a knowledge economy and society. Research activities locally, nationally and internationally on the skills and learning demands and solutions which will be needed to facilitate and implement innovative policies for young people in the future.

B. To ensure environmental sustainability

By embedding environmental awareness into activities, there is an opportunity to contribute towards the achievement of this goal. In addition, with appropriate advice and support and the proposed increase in jobs in environmental industries, it is likely that many of today’s youth will form tomorrow’s workforce in the environmental sector.

C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence

Developing creativity and skills in all young people, including the vulnerable groups, develops a mind-set and provides support towards high-value employment. This is supported by the provision of integrated support services and enhanced IAG.

D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors

The provision of appropriate support and opportunities for young people to be creative will assist in developing the culture of entrepreneurship. Also, targeting those in the NEET category and assisting them into training and/or employment provides additional recruitment opportunities for all businesses.

Actions

Raise the aspirations of young people

- Develop a relevant, coherent and consistent individual learning planning for young people, supported by tutorial advice and guidance, along with 1:1 mentoring with adult role models, to inform progression at all stages.

- Help learners progress into employment, training and further or higher education by delivering independent information, advice and guidance (IAG) to all learners, through the Integrated Youth Support Services Programme.

- Enhance the relevant curriculum to ensure that it offers opportunities to young people to maximise their potential contribution to the economy, for example by offering motivational summer camps and building on creative activities.
Improve Competitiveness: Provide the Best Start for Young People

Implement an entitlement to learning for all Young People

- Maintain and develop the collaboration of all providers in the 14-19 Collegiate for Cornwall and the Isles of Scilly. Work together to establish a dynamic action plan and operational protocols to facilitate resourcing for the new national frameworks. Steadily expand provision to increase the choice of, and improve access arrangements in rural locations (for example in North and South East Cornwall and the Isles of Scilly) to education and training.

- Enable the provision and enhancement of the physical learning, ICT and transport infrastructure entitlement to be delivered.

Raise awareness of work, enterprise and entrepreneurship

- Enhance the relevant curriculum opportunities to young people to maximise their potential with regard to enterprise and entrepreneurship.

- Identify and facilitate inspirational, informal learning opportunities for young people in out-of-school hours.

- Engage employers in business sector organisations and the voluntary, community and creative sectors in shaping the curriculum and providing work experience placements

*This is also a fundamental element of the Stimulate Innovation and R&D Objective.*

Support for 14-19 year olds who are not in education, employment or training (NEET)

- Address barriers to access and achievement, supporting young people who have difficulties in engaging with, and progressing in, learning and work.

- Develop teaching and learning skills to enable the early recognition, intervention strategies and innovative solutions required to prevent young people in becoming NEET.

- Develop a Local Area Agreement outcome to support policy and funding alignment focused on the NEET group and their contribution to the economy.

- Support the engagement/re-engagement of vulnerable groups through innovative activities to enable their sustained involvement.

- Devise programmes of activity which build self-expression, confidence, motivation, collaboration and creativity for young people who are disengaged with learning.

- Design and develop a range of relevant contextualised activities to enable young people to use a range of transferable skills in a variety of situations.

Other partners include:

Children’s Services Authority
Colleges
Connexions Cornwall and Devon
Cornwall County and District Councils
Council of the Isles of Scilly
Creative Partnerships and organisations
Kernow Education Arts Partnership
Regional Skills Partnership
Schools, including independent schools
Tate St Ives, Kneehigh and other sector partners
The third sector
Work-based learning providers

Lead partner: Learning and Skills Council/Local Authority

Lead partnership: Learning Partnership for Cornwall and the Isles of Scilly
Objective:

Support Higher Education

To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly through the further development of higher education (HE) and research by building on the success of the Combined Universities in Cornwall partnership and work towards the creation of a University of Cornwall.

Why this is important

This Objective arises in response to the following identified key challenges:

- To increase levels of business productivity and innovation, and numbers of exporting businesses along with product and process development
- To re-position the local economy within the wider economic space by rising to the challenges associated with the expanded market in the enlarged EU through identifying areas of distinct competitive advantage
- To raise aspirations and encourage competitiveness amongst existing businesses and improve the range and quality of new business start-ups.
- To develop a model knowledge economy for the 21st century, set within a rural context.
- To reduce recruitment and skills shortages by improving the skills base and availability of jobs to match in appropriate sectors.
- To increase the level of higher-paid and higher-skilled employment along with an increase in the number of graduates with the relevant qualifications.

There are three important specific contextual issues that need to be addressed. The first is the need to provide local HE opportunities and resources. The increasing costs of HE are making it very difficult for young people to access higher education away from home, where they will have to pay not only course fees but also residential costs. For many young people, the experience of studying away from home will remain a valid priority, but for others the costs will be prohibitive. The option to make use of a growing local HE offering will be crucial to these learners as well as attracting the best students from outside the county.

The second is the ability to respond to the impending changes to the 14-19 curriculum. The introduction of Specialised Diplomas at National Vocational Qualification (NVQ) levels 1-3 and extension of Apprenticeships is designed to increase the numbers of young people who will seek progression to HE from non-traditional pathways. Central to productivity and competitiveness is the retention of graduates by the creation of appropriate pathways through HE into the workforce.

Thirdly, there is a need to target employed learners seeking higher-level qualifications and training. The demand for HE and training provision will grow if more knowledge-based businesses are attracted into, or developed in, the area. There is a demand for more flexible approaches to HE to make it more widely accessible, The Cornwall Learning Network (CLN) is establishing itself as a major resource for online interactive learning, and would form an ideal platform for the development of blended learning in HE.
The need for further development of HE in Cornwall is therefore vital to:

- **Overcome skills gaps and shortages at Levels 4 (degree level/equivalent) and above**
- **Increase the capacity of the knowledge-based Economy**
- **Respond to and support the new 14-19 curriculum**
- **Retain graduates for the local workforce**

The development of the CUC has played a pivotal role in the current Objective One programme. The initiative has already begun to have a positive impact, both by increasing learning opportunities and by enhancing Cornwall’s research base and business/academic links.

However, there is a need to work towards the long-term security of the HE sector in Cornwall, including increased provision, particularly in the North, East and Restormel areas. This will involve continuing the excellent partnership working and taking steps towards the future development of a University of Cornwall.

### Contribution to Guiding Principles

| A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society | The availability of a skilled workforce is indispensable to a knowledge economy and society. The further development of the CUC, along with its research capacity and links to businesses, is a means of achieving this. |
| B. To ensure environmental sustainability | Research, innovation and technology, along with environmental training and awareness, contribute to this goal. This Objective also aims to provide improved access to learning, thus reducing the need to travel. |
| C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence | Increasing the skills of people and the provision of access to learning improves social inclusion and well-being by raising aspirations and offering the potential for increased earnings. |
| D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors | Expanding opportunities for research and innovation increase potential for entrepreneurship, as well as providing for the research needs of many businesses. |
Actions

Tailor the courses provided by HE institutions to the needs of a knowledge economy

- Develop bite-size HE Programmes for the workforce.
- Develop high-quality skills and academic (research and teaching) specialisms which will assist in the development of a knowledge-based economy.
- Build capacity in teaching and academic staff and in new or existing buildings.
- Plan, design, promote and recruit students to new programmes that enable the development of a self-sustaining HE sector able to compete on the national and international stage.
- Support and deliver flexible HE learning to improve access.
- Develop enterprise and entrepreneurship in all HE courses.
- Develop a self-sustaining HE sector that is able to compete on the national and international stage.
- Support gifted and talented school and FE college students to take early HE modules.

Increase the number of HE students in or from Cornwall and the Isles of Scilly to develop skills for a knowledge economy

- Provide high-quality and comprehensive information, advice and guidance.
- Develop progression routes and pathways into and through HE for learners suffering disadvantage, whether economic, social or geographic, through schemes such as Aimhigher (a programme to get more people into HE from disadvantaged areas/groups who would not normally engage).
- Develop and promote pathways from programmes at levels 3/4 to foundation degrees and facilitate progression to honours degrees and higher levels.
- Provide support for post-graduate training at all levels both within and outside Cornwall to ensure the availability of the high-level skills required by a knowledge-based economy.
- Encourage links between HE and business to provide higher-level apprenticeships and HE-based CPD opportunities for companies, so as to increase the take-up of HE skills by those in employment.
- Undertake additional research on progression rates onto CUC programmes from Level 3 qualifications and address the needs of higher education in Cornwall, particularly in areas where access is more difficult.

Developing entrepreneurship and enterprise, raising skills and develop retention and placement programmes

- Continue developing HE to focus on entrepreneurship and enterprise through the education process by raising vocational qualification levels in addition to key skills.
Improve Competitiveness: Support Higher Education

- Raise student understanding of enterprise through exchanges, placements and links to business and other agencies aiming to increase employability. This is covered in more detail within the Stimulate Innovation and R&D Objective.

- Activities to broaden and to develop the CUC offer to make it more focussed and responsive toward current and future business needs.

- Actions to make HE more accessible in the peripheral areas. For example North Cornwall, Penwith and the Isles of Scilly.

Develop and promote pathways through HE into the workforce

- Develop post-graduate placements and employment pathways alongside learning pathways.

- Enable the employment of graduates in businesses in Cornwall through initiatives such as Unlocking Cornish Potential, with the potential to roll out this successful model to include undergraduates, both people already on degree-level courses and at pre-degree level.

- Promote and support graduate and postgraduate start-up company formation and growth.

- Enhance business/academic links

This Action is also important in terms of delivering the Stimulate Innovation and R&D Objective.

Develop and support Combined Universities in Cornwall Partnership

- Develop Phase 3 of CUC and its implementation.

- Work towards the creation of a University of Cornwall.

- Expand R&D capacity, linking with the Stimulate Innovation and R&D Objective.

Other partners include:
- Business Link
- Cornwall College
- Cornwall County Council
- Cornwall Enterprise
- Cornwall Learning Network partners
- District Councils
- Exeter University
- Government Office South West
- Higher Education Funding Council for England
- Marjon
- Nextstep
- Open University
- Peninsula Medical School
- Penwith College
- Plymouth University
- Regional Skills Partnership
- Royal Cornwall Hospital Trust and Cornwall PCT
- South West RDA
- St Austell College
- Truro College
- University College Falmouth

Lead partner: Combined Universities in Cornwall

Lead partnership: The Learning Partnership
Objective:

**Improve Workforce Development**

To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly, by raising the workforce and business skills appropriate to the needs of the economy at all levels and across all sectors in Cornwall, to match the best in the world, and for this to act as a key driver for economic success. This applies both to development of the local workforce and to attracting new talent into the area.

**Why this is important**

This Objective arises in response to the following identified key challenges:

- To increase levels of business productivity and innovation, and numbers of exporting businesses along with product and process development
- To re-position the local economy within the wider economic space by rising to the challenges associated with the expanded market in the enlarged EU through identifying areas of distinct competitive advantage
- To develop a model knowledge economy for the 21st century, set within a rural context
- To reduce recruitment and skills shortages by improving the skills base and availability of jobs to match in appropriate sectors
- To increase the level of higher-paid and higher-skilled employment along with an increase in the number of graduates with the relevant qualifications

The Leitch Review of Skills in the UK concludes that the country must raise its ambitions regarding skills if it is to have any chance of effectively competing globally. That message becomes even more urgent when addressing skills needs in Cornwall and the Isles of Scilly. 70% of the people who will be in the local workforce in 2020 are already within the current workforce, and it is their skills that require immediate attention with the provision of good access to quality information and advice being especially important. As 90% of businesses in Cornwall and the Isles of Scilly employ less than 10 people, adequate support for small businesses is essential. The impact of migrant workers on the local labour market will also be significant over the next few years.

The main reason given by employers for finding it hard to fill some vacancies in Cornwall is the low number of applicants with the required skills. This is particularly the case for occupations considered to be ‘professional’ (64%), skilled workers (65%), machine operatives (59%) and managers (50%). These findings are reflected in the number of employers reporting skills shortages within their existing workforce. Particular skills shortages are reported in the categories of skilled trades-people and professionals.

The impact of skills gaps upon business performance can be significant. Approximately 49% of employers reporting a skills gap stated that it had resulted in increased workload for other staff. Other employers reported an impact on business performance in terms of increased operating costs, difficulties meeting quality standards and a loss of business to competitors. Delays in introducing new work practices also impact directly on value added and profitability.

The problems identified with regard to hard-to-fill vacancies highlight the challenges that the area faces, with a lack of skills and experience being the main factors. Addressing skills and recruitment issues is clearly one of the most important priorities for key stakeholders.
The age group with the highest proportion of people with no qualifications (both locally and nationally) is the 50 to retirement age category at 17.4% for Cornwall and the Isles of Scilly and 23.1% nationally.

### Contribution to Guiding Principles

<table>
<thead>
<tr>
<th>A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society</th>
<th>The provision of infrastructure, high-level skills and work-based learning will increase knowledge application within key added-value sectors. Raising skill levels across the entire workforce will also enable all to benefit from the wider range of job opportunities likely to develop.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. To ensure environmental sustainability</td>
<td>Flexible learning methods reduce travel requirements for learners. More businesses investment in training will make it more likely that staff will receive some form of environmental awareness training. Development of new buildings and improvements to existing facilities will incorporate sustainable building best practice.</td>
</tr>
<tr>
<td>C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence</td>
<td>An independent IAG service is vital to encourage adults into learning and to facilitate their progress into work and higher qualifications, and to fill skills shortages.</td>
</tr>
<tr>
<td>D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors</td>
<td>The provision of a highly-skilled and flexible workforce will encourage inward investment from external wealth-creators as well as improving the productivity and value of indigenous businesses. The availability of a skilled local workforce will also help to retain indigenous businesses with the desire to grow.</td>
</tr>
</tbody>
</table>

### Actions

**Increase the number of adults qualified to at least NVQ Level 2 with improved progression to, and achievement at, Levels 3 and 4**

- Improve the ease of access to, and quality of, information, advice and guidance.
- Integrate personal development with other learning, including Skills For Life courses up to Level 2.
- Address employer-identified skills gaps by facilitating progression from Level 2 to Levels 3 and 4.
- Significantly increase the numbers of people in the workplace with basic literacy and numeracy (Skills for Life).
- Help people to participate in learning by providing Learner Support Funds (LSF) for travel, childcare etc, as well as guidance and mentoring.
- Improve the qualifications of migrant workers.
- Support older workers to develop skills levels appropriate to the workplace.
- Develop the contribution of the third sector in planning and providing learning opportunities for adults.

**Achieve a step change in the numbers accessing workplace learning and businesses engaged in the professional training and development of staff**

- Boost the demand for learning and skills by demonstrating their benefits to both employers and employees, and ensure a supportive and flexible response from training providers through initiatives such as Train to Gain.
- Improve the ease of access to, and quality of, the brokerage, information and advice available to businesses to help produce a more dynamic economy.
- Recognise that some growth sectors (for example creative industries) require skills and business development training that does not always demand outputs related to accredited qualifications.

**Further develop sector and local workforce skills programmes**

Delivery here should work closely with actions included in the Encourage Sector Development Objective, which recognises that sector specific, as well as generic training, is important.

- Overcome the barriers to training, especially those facing SMEs, by enhancing the contribution of sector organisations and other support agencies in order to achieve a cohesive approach and to spread examples of good practice.
- Support and use employer and employee organisations, including sector organisations, to demonstrate the mutual benefits of learning and skills, and work with Sector Skills Councils on the local implementation of Sector Skills Agreements and the business brokerage system.
- Develop vocational training centres of excellence through partnerships between training providers and business sector organisations, with a particular focus on Level 3 and 4 skills.
- Develop cross-sector working in planning and providing quality learning opportunities for adults.

**Develop community learning centres and infrastructure hubs**

To develop community learning/skills centres and infrastructure hubs within new and existing buildings, including further development of the hub campus at Tremough. These will have the potential for mixed-use purposes including flexible workspace and use by the voluntary and community sector as well as offering internet access and opportunities for learning and skills development. This action also links with the Develop Sustainable Communities Objective.

**Lead partner:** Learning and Skills Council/Job Centre Plus

**Lead partnership:** Learning Partnership for Cornwall and the Isles of Scilly

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**Other partners include:**

- All training providers
- Business Link
- Centres of Vocational Excellence (CoVEs)
- Cornwall Chambers of Commerce and Industry
- County and District Councils
- Creative Unit
- Enterprise Agencies
- FE/Colleges
- Federation of Small Business
- nextstep
- Regional Skills Partnership
- South West RDA
- TUC
- Unionlearn
- University College Falmouth
- Various employer organisations
- Voluntary and community organisations
Executive Summary
Theme 3
Enhance Place and Connectivity

Cornwall and the Isles of Scilly is a special place with a strong and loyal community, a distinctive heritage, a rich physical environment and well-developed cultural and creative qualities. These strengths need to be maintained as the economy is developed, not least because they add value across other sectors. The distinctiveness of the area, which constitutes an important element of its quality of life, will also be used in branding to attract investment, knowledge and visitors, and to market its products for export.

Cornwall and the Isles of Scilly will also be a place with high-quality internal and strategic transport systems, a strong social infrastructure, a wide range of appropriate employment space, high-quality utilities, and thriving rural and urban communities.
Objective:

**Provide and Improve Transport Infrastructure**

To achieve sustainable prosperity with opportunity for all, by improving the strategic transport network in order to allow the efficient movement of people and goods around Cornwall, to the rest of the UK and globally.

**Why this is important**

This Objective arises in response to the following identified key challenges:

- To increase levels of business productivity and innovation, and numbers of exporting businesses along with product and process development
- To re-position the local economy within the wider economic space by rising to the challenges associated with the expanded market in the enlarged EU through identifying areas of distinct competitive advantage
- To develop a model knowledge economy for the 21st century, set within a rural context
- To improve transport infrastructure and access to services as well as addressing the problems associated with increasing traffic congestion
- To improve social, economic and environmental conditions in deprived areas
- To maintain and improve existing natural and built coastal infrastructure
- To ensure the sustainability of the Isles of Scilly

A successful economy depends significantly on reliable transport infrastructure, without which manufacturing and service businesses are compromised in their ability to access markets, labour and goods and maintain a competitive edge. The large visitor economy is also dependent on ease of access for visitors in its drive towards new markets and extended seasons. Furthermore, an efficient integrated transport network within Cornwall will contribute towards inter-trading amongst locally based businesses and increased internal consumption within Cornwall. This will also allow the movement of goods and the workforce and allows residents in Cornwall to meet their work, healthcare, educational, shopping and leisure needs. The reduction of congestion is particularly important in improving the efficiency of the local economy, through minimising the amount of working time that is lost and enabling people to develop a better work/life balance.

Connectivity between the main towns in Cornwall and externally to the rest of the UK and Europe is a vital element of creating a successful knowledge-based economy. Journey-time reliability will help boost productivity and competitiveness, increase access to markets and attract inward investment. Accessibility is fundamental to a socially inclusive society. Given the dispersed settlement pattern of Cornwall, investment in rural and inter-town transport schemes is essential to reducing social and economic exclusion caused by the distance and/or inaccessibility between the workplaces and homes of local people.

However, it is difficult to isolate the economic benefits of investment in infrastructure, as they are largely indirect. Transport infrastructure is an enabler rather than a driver of productivity. This factor has in the past made the use of...
economic development funding for transport projects more difficult than necessary. The legacy of lack of support for transport schemes is one of increasing congestion, lengthening journey times and rising numbers of air pollution hotspots, which in turn inhibit further economic growth.

There are many challenges to be addressed during the period to 2021, with climate change being of particular importance. The type of transport used and the number of journeys made will significantly affect the contribution to climate change. An integrated approach to planning will be taken, by encouraging the use of technology and development in appropriate locations, both of which will reduce the need to travel and maximise the opportunities for sustainable transport. This will help to accommodate a more prosperous economy without jeopardising the health of society and the environment.

Travel is an important part of life for almost everyone. It allows residents to meet their work, healthcare, educational, shopping and leisure needs. The drive for sustainable prosperity for all will be severely restricted if the internal transport infrastructure and its strategic links with the rest of the UK and international destinations are not improved. Such actions by the public sector are of key strategic importance, commanding the united support of all business in Cornwall and Isles of Scilly.

The Local Transport Plan 2006-2011 (LTP2) sets out a five-year core programme of transport investment that will be delivered through ‘block’ funding approvals from the Department of Transport. Under the current system, there will be subsequent LTPs prepared for the periods 2011-2016 and 2016-2021.

In addition to the delivery of the LTP, there is also a need for high-level strategic interventions over and above the core programme, largely in the form of major schemes (those individually costed at over £5m). Through the Regional Funding Allocation (RFA) process, the Regional Assembly submitted a list of prioritised transport schemes to the Government in January 2006. The Government considered the submission and announced the allocation for the period 2000-2016.

Five Cornwall-based schemes were successful in RFA, subject to subsequent detailed approval. A number of other schemes were unsuccessful. The unsuccessful schemes that remain important locally will be taken forward in the long-term Connecting Cornwall programme, which is managed through the multi-sector Connecting Cornwall Transport Taskforce. All schemes will undergo detailed modelling and economic/environmental assessments to determine their viability as part of assembling a business case for each scheme.

Collectively, the LTP core programme and the schemes identified under the actions here will help to bring the transport network up to the minimum standard required to serve Cornwall’s growing population and developing economy effectively.

<table>
<thead>
<tr>
<th>Contribution to Guiding Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society</td>
</tr>
</tbody>
</table>
B. To ensure environmental sustainability

Transport infrastructure developments have impacts on the carbon footprint of Cornwall. Important research work is being undertaken to assess the economic and environmental impacts of airport expansion. Significant mitigation and adaptation must be enforced as a result. A focus on increased rail and sea transport will make a positive contribution, as will the encouragement and facilitation of other sustainable modes of transport.

C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence

Improvements to connectivity in and between towns will allow easier access to key services, employment and leisure which will provide both economic and social benefits. Maintenance and improvement to links to the Isles of Scilly (and between Islands) are essential for the well-being of Islanders.

D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors

Improvement to infrastructure removes the perception of peripherality in relation to global markets. Improvements to rail and ports also increase the options for freight transportation. Investment in other infrastructure and public transport will improve travel for employment, business and recreational purposes.

**Actions**

*Deliver the strategic actions of the Local Transport Plan (2006-2011)*

- Provide a well-maintained transport network.
- Improve access to key services and facilities by providing travel choice.
- Use an integrated approach to land use and transportation planning in order to reduce the need to travel.
- Improve road safety for all who travel in Cornwall.
- Improve public transport, park and ride facilities, walking and cycling opportunities across the county, including the reallocation of road space in order to give priority, where appropriate.
- Influence travel behaviour by raising awareness of the impact of transport on the environment.
- Take account of the travel needs of schools and major employers in the travel-planning process.
- Use car parking charges and length of stay regulations to manage demand and encourage modal shift in peak periods.
- Improve rural accessibility and reduce social and economic divides caused by poor access to transport.
- Improve town traffic management, reduce congestion and ensure access to employment space
- Increase information systems to inform local residents and visitors on transport issues.

### Improve strategic connections

Develop Newquay Cornwall Airport as an economic driver. A major investment will be required in the physical development of the airport to transfer it from military to civilian control, cope with rising demand and make it economically sustainable for the long term. The contribution of other airports such as Exeter is recognised for the benefit of the business and the visitor economy. A Policy decision has been made in this circumstance where a significant economic benefit is expected as a result.

It is acknowledged that there are environmental considerations required when considering any further development of the airport. There is a need to mitigate negative effects as far as possible by compensating in other areas, and this is reflected across this Strategy. There is also a need to adapt to environmental changes by encouraging the use of other modes of transport wherever possible. Additionally, it is recognised that Government policy may change in the near future in relation to air travel.

- Cornwall and the Isles of Scilly must encourage new investment by Government in the strategic rail system by presenting the economic and environmental case for rail and encouraging the train operators to develop improved services. The effectiveness of such actions has been proven in the past through the campaign to save the Penzance-Paddington sleeper service. Investment in the rail network itself is essential. This action is designed to maintain and develop the strategic rail system and improve inter-modal freight rail facilities in order to offer an alternative, sustainable mode of travel.

- Develop the role of ports as strategic connection points to destinations outside Cornwall and to the Isles of Scilly. The drive to increase short-sea shipping and a renewed focus on ports as economic drivers presents new opportunities for the ports and harbours of Cornwall and the Isles of Scilly. Investment in port infrastructure is necessary to exploit these opportunities, making better use of the sea for transporting people and freight. Opportunities should also be explored for both Par and Fowey, which are expected to see significant changes in connection with the china clay industry. Ports and harbours also host a variety of marine businesses, and it is essential that prime sites are retained for such businesses.

- Improvements are needed to the strategic road system to allow quicker and more reliable journey times and safer journeys for residents, business, visitors and goods. Such improvements will include dualling of the A30 from Temple to Higher Carblake and from Carland Cross to Chiverton.

- Undertake ‘Connecting Cornwall’ feasibility & development work.
Enhance Place and Connectivity: Provide and Improve Transport Infrastructure

Support spatial investment priorities

This action is aimed at facilitating town regeneration by delivery of integrated transport packages. Such schemes will include the Camborne, Pool and Redruth Link Road, the Truro Distributor Road, the Truro to Falmouth rail improvement and the A391 St Austell Link Road, along with access measures for employment sites and premises (including support for local town centre improvement packages wherever appropriate). This action has close links with the spatial priorities identified within the Regional Spatial Strategy.

In addition to those schemes that are prioritised, it is recognised that improvements to the M4/M5 interchange, the A30 and the A303 (including the A358) outside Cornwall would also be beneficial to the economy of Cornwall and the Isles of Scilly.

Develop local economic infrastructure

There is a need to develop local infrastructure in line with local needs. Dredging at Falmouth Port, along with the construction of a new wharf and terminal, has been identified as a priority, working closely with the private sector.

Necessary measures will be delivered to support local priorities emerging from Local Development Frameworks, including improvements to local roads and to connectivity between rural areas.

Delivery

Lead partner: Cornwall County Council

Lead partnership: Transport Taskforce
Objective:

**Build on a Distinctive Cornwall and the Isles of Scilly**

To achieve sustainable prosperity with opportunity for all by developing and utilising the cultural and environmental (both built and natural) distinctiveness, brand and image of the area as a key tool in repositioning Cornwall in the global marketplace as an exciting and creative place to live, work, invest and visit.

**Why this is important**

This Objective arises in response to the following identified key challenges:

- To re-position the local economy within the wider economic space by rising to the challenges associated with the expanded market in the enlarged EU through identifying areas of distinct competitive advantage.
- To raise aspirations and encourage competitiveness amongst existing businesses and improve the range and quality of new business starts.
- To develop a model knowledge economy for the 21st century, set within a rural context.
- To improve social, economic and environmental conditions in deprived areas.
- To maintain and improve existing natural and built coastal infrastructure.
- To secure a legacy following the 2012 Olympic Games and maximise the positive opportunities of Cornish Mining World Heritage Site status.

The distinctiveness of Cornwall and the Isles of Scilly is defined by the many strands of its culture, stunning environment and historic traditions.

The distinctive culture of Cornwall and the Isles of Scilly in the broadest sense is a way of life - shared values, customs and models of social organisation. It has evolved from its geography, history and pride of place alongside its dispersed and small scale settlement patterns and active communities. This predominantly rural model holds a distinctive appeal and is well-placed to take advantage of new technologies and knowledge and address the environmental challenges of climate change.

Culture is also the history, ideas, art and leisure activities of a people. Cornwall and the Isles of Scilly has a rich cultural heritage. The huge variety of the historic built environment from ancient settlements to townscapes is an invaluable signpost to our past and the significance of the industrial heritage and trading traditions has been recognised through the World Heritage Site inscription. The area has an artistic legacy that is internationally significant, a wealth of community museums, archives, galleries and collections of national importance.

A thriving contemporary creative culture has been built on this legacy with some cultural organisations, particularly in theatre and the visual arts, recognised as world class.

There is a distinctive and growing watersports culture including surfing, sailing and associated sports and the Cornwall Coast Path is a major attraction for recreational walkers. There is also a strong tradition of sports such as rugby, gig rowing and Cornish wrestling. Increasing awareness and acknowledgment of Cornwall’s distinct language and Celtic traditions have led to a greater pride and use of it to support economic activity.

It is a place of exceptional natural beauty, with 27% of Cornwall and the Isles of Scilly designated as an Area of Outstanding Natural Beauty. A rural and maritime...
area, it is characterised by a diversity of landscapes and geologies. It has a particularly special managed landscape, the product of centuries of human stewardship of the land, natural ports and harbours and 700 km of internationally recognised coastline, which underpins the tourism, sports and leisure sectors.

The emergence of the Eden Project as an internationally recognised centre for both Cornwall and the UK provides a significant opportunity for the international and national marketing of Cornwall and the Isles of Scilly as a visitor destination as well as a centre of knowledge about the environment.

Cornwall and the Isles of Scilly has an especially distinctive edge in some of its product offerings, in particular its variety of food products. Local specialisms such as dairy products, pasties, fish and a wide range of fresh foods provide a unique opportunity to reinforce the Cornwall brand.

Cornwall and the Isles of Scilly has an immensely strong and positive brand image with the UK public, although it is one that is largely associated with the visitor economy. Work must be undertaken to widen these positive brand values into other areas of activity, such as business, investment in the environment and culture, without diminishing the visitor experience or the economic benefits derived from the visitor.

All of these attributes play a central role in creating and supporting a strong identity that significantly contributes to a “sense of place”. In a globalised world, a clear competitive advantage can be gained from building on indigenous strengths that offer distinctive appeal to the individuals, visitors, businesses, trading partners and investors, which drive economic growth. The combination of beautiful natural landscapes, unique cultural heritage, contemporary culture, product offerings and strong image make a compelling offering. This distinctive sense of place provides a strong and positive brand on which to build the economy and the image of Cornwall and the Isles of Scilly as a multi-faceted place to trade with, live, work, invest and visit.

**Contribution to Guiding Principles**

<table>
<thead>
<tr>
<th>A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society</th>
<th>Development of environmental technologies, supporting and enhancing creative and cultural intelligence, providing access to new cultural opportunities, enhancing cultural quality and sharing best practice and knowledge.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. To ensure environmental sustainability</td>
<td>Development and application of new environmental technologies; investment in mitigation and adaptation methods as well as direct environmental protection methods.</td>
</tr>
<tr>
<td>C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence</td>
<td>Encouragement for sports participation along with opportunities for cultural and creative experiences will improve health, community cohesion and well-being.</td>
</tr>
<tr>
<td>D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors</td>
<td>Working to ensure the area is recognised for innovation, development and opportunities for creativity. Developing the strong Cornwall brand, based on environment and culture, to enhance marketing opportunities, add value to all businesses and attract investment.</td>
</tr>
</tbody>
</table>
Actions

Encourage investment in cultural and creative assets

- Establish Cornwall as Europe’s first Region of Culture, leading the development of the model in partnership with other European rural areas.

- Protect and promote the cultural heritage of Cornwall and the Isles of Scilly as a positive benefit for contemporary Cornwall and maximise the opportunities offered, for example, by museums and Cornish Mining World Heritage status.

- Understand and maintain a dynamic contemporary culture and develop creative and cultural industries including dance, music, performance, applied and visual arts, film-making, writing and sports, which have the potential to contribute significantly to the knowledge economy and the well-being of the people of Cornwall and the Isles of Scilly.

- Maximise the potential of cultural assets and creative organisations on a national and international platform by developing the cultural infrastructure, both built and ideas-based.

- Support cultural partners in developing educational programmes to build creative intelligence and innovation.

- Widen participation and audiences by supporting festivals and community events.

- Add value to cultural and business activities and the visitor economy through use of the Cornish language.

Encourage investment in the development of sporting capacity and the associated leisure industry

- Maximise the potential of sports that are particularly important to Cornwall and in which it can compete at national or international level, through the encouragement of investment in strategic facilities and other developments such as leisure centres, major sports stadia and land-based facilities for watersports.

- Improve access at a local level to sport and active recreation in rural towns and villages as part of improvements to health, support for local distinctiveness and community cohesion.

- Maximise the potential of the 2012 London Olympics to deliver a significant sporting, business and cultural legacy.

Develop and promote Cornwall as a centre of excellence for the environment and environmental knowledge

- Invest in the protection and enhancement of the environment and promote the area as a centre for environmental knowledge and excellence through marketing and press activity.

- Ensure Cornwall and the Isles of Scilly is at the forefront in developing and sharing best practice in environmental protection and adaptation to global issues such as climate change.
- Position Cornwall as an exemplar for the agri-environment as identified by the Cornwall Agricultural Council. Map opportunities into initiatives such as new cropping and biofuels and implement recommendations.

- Support schemes to restore or enhance the economically important characteristics such as habitats and wildlife, including those that are specialities of Cornwall and the Isles of Scilly, for example through accreditation of agricultural produce. Give priority to those habitats that reduce climate change impacts, and allow our environment to adapt to its effects, such as rewetting flood plains and the use of sustainable urban drainage systems. This also links to the Minerals Development Framework.

- Seek local and innovative solutions to waste reduction, including re-using, recycling, composting and converting waste to energy.

- Invest in the protection and enhancement of the coastal and marine environment and maintain the stock of environmental capital (such as nature conservation and forestry).

- Enhance existing green infrastructure and create new urban green space through careful planning of urban extensions and growth areas.

**Utilise the distinctiveness of Cornwall and the Isles of Scilly to encourage a high quality year-round visitor economy**

- Invest in destination marketing activity that focuses on attracting visitors outside busy months.

- Utilise the distinctiveness and strong brand to establish new quality markets and brand clusters e.g. business tourism and higher spending visitors.

- Invest in the quality of the public product, such as signage, paths, cycle routes, harbours, promenades, town and village centres, beaches, and support initiatives to improve the overall quality of the visitor experience.

- Encourage investment in the improvement and enhancement of paid-for visitor attractions.

- Support sustainable and scaleable events, activities and festivals.

- Improve the quality standards and training in all visitor economy accommodation.

- Improve existing information systems and support new ICT-based information and reservation systems to improve visitor experience.

**Maintain, develop and enhance brand and image**

- Position Cornwall and the Isles of Scilly as a multi-faceted place to live, work, visit, invest and trade by capitalising on its strong and positive brand and image through co-ordinated marketing efforts and marketing campaigns.

- Assist and advise local businesses seeking new markets to use the strength of the Cornwall Brand to win new business.

- Reinforce and enhance sense of place characteristics to attract new investment to develop the Cornwall brand alongside its product offerings.
Maintain confidence in and utilise loyalty to Cornwall and the Isles of Scilly

- Utilise distinctive assets to motivate and inspire all individuals, increase aspirations for and pride in the area, and work to ensure that these assets are recognised and respected locally and globally.
- Enhance and maintain the strong community loyalty to aid co-operation and partnership.

Lead partners: Cornwall Enterprise/Creative Unit/Cornwall Sports Partnership/Cornwall County Council

Lead partnerships: Image and Brand Partnership/Cornwall Destination Management Organisation/Cornish Language Partnership/Cornwall Sports Partnership
Objective:
Develop Sustainable Communities

To achieve sustainable prosperity with opportunity for all by supporting the aspirations of communities for sustainable development and encouraging appropriate investment in urban and rural communities in Cornwall and the Isles of Scilly. This will ensure that communities benefit from sustainable employment, access to services and a clear plan for the future, which recognises and values the distinctiveness of the area.

Why this is important
This Objective arises in response to the following identified key challenges:

- To build on enterprise opportunities arising from the development of measures to meet the challenge of climate change
- To manage new business investment (demand for land and premises)
- To raise aspirations and encourage competitiveness amongst existing businesses and improve the range and quality of new business starts
- To develop a model knowledge economy for the 21st century, set within a rural context
- To improve transport infrastructure and access to services as well as addressing the problems associated with increasing traffic congestion
- To respond quickly to business/industry closure
- To improve social, economic and environmental conditions in deprived areas
- To maintain and improve existing natural and built coastal infrastructure

Investment in the towns, villages and rural areas, along with support for local residents and workers, is essential to enhance the economic and social sustainability of communities. Town-centre and place-based regeneration activity, rural diversification and Rural Renaissance programmes have all established priorities and networks. These must be built upon and supported, although there is a need to ensure greater co-ordination and links between the various programmes and plans. In addition, geographically specific investment should exploit the dynamics and cultural strengths of individual communities. This Objective complements actions to be delivered by the Build on a Distinctive Cornwall Objective.

Investment in the people that make up the communities of Cornwall and the Isles of Scilly and building on the sense of place and belonging are as important as investing in the physical infrastructure. Community empowerment is linked to a sense of cohesion and cultural vitality.

Actions that make communities desirable places in which to work and live should therefore be encouraged through local vision plans, which may include strengthening community cohesion, engagement and capacity building, improving the quality of the built and natural environment and enhancing a sense of place, and encouraging sustainable travel. Contributions to these outcomes will come from a variety of sources, including sport and active recreation and development of local environmental projects.

The need to secure major new developments on a scale appropriate to the particular community, will be a vital component of this work. Investment in community
developments should avoid drawing a strict division between large-scale development in towns and micro-scale rural workshops, allowing for developments of an appropriate scale in between these extremes. The challenge is to ensure that public investment and the encouragement of private-sector investment is spread throughout Cornwall and the Isles of Scilly, but also that it is targeted where greatest benefit (to the local and wider community) can accrue.

Some towns are still highly dependent on a single industry (or employer). Recent announcements of job losses in the china clay industry highlight this threat to the communities in and around the St Austell area. It is also important to recognise the effects that Plymouth has (both positive and negative) on some of the towns in East Cornwall, such as Liskeard and Saltash. In addition, Hayle is a town associated with previous industrial decline that now has clear opportunities arising from the proposed redevelopment of the harbour and the proposed location of the offshore demonstration Wave Hub energy generation project.

One of the most acute and widely felt issues for communities in Cornwall and the Isles of Scilly is the availability of appropriate and affordable housing. Housing affordability (i.e. the ratio of house price to income) is a challenge and potentially a barrier to economic development for a number of reasons. For example, recruitment difficulties will be exacerbated if suitable workers cannot afford local housing. Despite the implications that housing has for economic development, this challenge must be tackled primarily by specific spatial and housing strategies, rather than through economic development strategies.

**Contribution to Guiding Principles**

<table>
<thead>
<tr>
<th>A. To establish Cornwall and the Isles of Scilly as a knowledge economy and society</th>
<th>This Objective contributes by engaging local communities in area planning; raising aspirations and skills along with the facilitation of flexible working and where the voluntary sector can assist in providing economically inactive people back into the workforce.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. To ensure environmental sustainability</td>
<td>By raising aspirations and engaging the community. There is the potential for the development of small scale renewable energy and resource management projects (including waste) which will contribute to this goal.</td>
</tr>
<tr>
<td>C. To remove economic and social disadvantage, improve the well-being of people and foster cultural confidence</td>
<td>This is the central aim of this Objective. In particular, the focus of support for deprived areas, ease of access to key services in rural areas through including the provision of multi-purpose facilities which could be utilised for health and sport purposes.</td>
</tr>
<tr>
<td>D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors</td>
<td>Support to rural industries, investment in employment space and engaging the local community in development activities will raise aspirations and provide for entrepreneurial activities.</td>
</tr>
</tbody>
</table>
Enhance Place and Connectivity: Develop Sustainable Communities

**Actions**

**Develop a network of multi-purpose community facilities that provide economic development opportunities**

Ensuring the provision of economic development and regeneration facilities such as training suites, sports facilities, workspace and business support, along with other required services such as healthcare and Post-Office services. These should be located in multi-purpose community facilities, either in existing village halls and community centres or in new build developments. This is seen as a particularly important action and is linked to priorities within the Innovation and R&D, Information Society, Develop People Theme and Employment Space Objectives, as well as providing important community facilities.

**Engage community involvement in ensuring economic growth through the development of innovative local plans and projects**

Through established mechanisms, such as Market and Coastal Town Initiatives (MCTIs) and parish plans, or other forms of community involvement, all settlements and areas should establish a simple, bottom-up vision and plans that take account of their particular needs and opportunities, make a clear contribution to the economic growth of the wider area and contribute to enhancing quality of life. This will involve research, community consultation and plan preparation. There is a need to develop community capacity and provide facilitation, project development and fund-raising skills and experience to local communities. It is important to ensure the key role of community life and sense of place in making Cornwall distinctive, and to make this an underpinning principle that informs all sustainable development initiatives, for example through the Region of Culture programme. The Build on a Distinctive Cornwall Objective explores this in more detail.

**Develop rural industries**

To address the contribution of agricultural and other rural industries facing continued pressures of change, through marketing, diversification and investment in innovative and more productive operations.

**Enhance the physical fabric of towns and villages**

To deliver physical town and village regeneration schemes which make improvements to transport and pedestrian flows, protect, enhance and bring new uses to the heritage and fabric of buildings, improve public spaces and create a sense of pride and focus within the town or village. The economic value of well-designed public space will be recognised, following principles of best practice as advocated by the Council for Architecture and the Built Environment to ensure that developments are sustainable. This will include support for town centre regeneration activities linked to the Local Area Agreement (LAA) and to the retail, leisure and construction sectors.

**Improve accessibility to services**

To retain and enhance local amenities, shops, schools and public spaces and ensure the provision of outreach and mobile services in areas where the market does not operate effectively, particularly in more rural areas. This may also be achieved through using ICT and finding new ways of improving transport and economic links between towns. Delivery of this action will take place as part of the Transport, Information Society Objectives and the Develop People Theme.
Focus resources to tackle problems of deprived areas

Some specific deprived communities need to be provided with dedicated multifunctional social and economic development resources to tackle worklessness, social exclusion, health and socio-economic issues and capacity building. In particular, areas in greatest need will require investment in residents to complement physical infrastructure projects.

Regeneration through master-planning and marshalling investment

Some areas and towns need a comprehensive master-planning and investment approach. Some settlements have the capacity to absorb larger scale economic opportunities and investments, for example Camborne, Pool and Redruth and the china clay area. The multi-partner task force set up to address recent announcements of redundancies within the china clay industry should be supported in its recommendations to diversify the economic base of this area, while this will also call for careful consideration of the impacts on neighbouring areas, for example port activity in Fowey.

Protect and enhance ports and harbours

The protection and enhancement of ports, harbours and public access to the sea will provide opportunities for the development of the marine sector and visitor economy. Actions will seek to avoid short-term exploitation of these resources for non marine-related activity.

Lead partners: Local Authorities

Lead partnerships: Town Fora and Rural Cornwall and Isles of Scilly Partnership
Objective:

**Develop the Isles of Scilly**

To achieve sustainable prosperity with opportunity for all by increasing the value and diversity of the economic base of the Isles of Scilly by promoting strong and sustainable businesses and communities, whilst protecting and enhancing the unique nature of the environment.

**Why this is important**

This Objective arises in response to the following identified key challenges:

- To increase levels of business productivity and innovation, and numbers of exporting businesses along with product and process development
- To build on enterprise opportunities arising from the development of measures to meet the challenge of climate change
- To manage new business investment (demand for land and premises)
- To lead the way in further development of broadband, ICT and digital media
- To develop a model knowledge economy for the 21st century, set within a rural context
- To reduce recruitment and skills shortages by improving the skills base and availability of jobs to match in appropriate sectors
- To increase the level of higher-paid and higher-skilled employment along with an increase in the number of graduates with the relevant qualifications
- To improve transport infrastructure and access to services as well as addressing the problems associated with increasing traffic congestion
- To maintain and improve existing natural and built coastal infrastructure
- To ensure the sustainability of the Isles of Scilly

The Isles of Scilly is an archipelago of around 200 islands and rocks, lying in the Atlantic Ocean 40 km south west of Lands End. It includes five currently inhabited islands with the majority of the Isles of Scilly owned by the Duchy of Cornwall and let to individuals.

The Isles of Scilly has numerous environmental and heritage designations. For example, the entire archipelago (16 km²) forms an Area of Outstanding Natural Beauty, Conservation Area, Heritage Coast and much of the area is designated as a Special Area of Conservation. The unique quality of the environment is an asset both for the islands and for Cornwall, pulling visitors down through the peninsula every year.

A range of economic constraints exist on Scilly, including:

- Geographical isolation resulting in increased travel times and transport cost and limited physical access to services e.g. training, healthcare, childcare and higher education;
- Limited housing opportunities;
- The need to safeguard the outstanding environment which forms the basis of the islands’ economy;
Limited infrastructure capacity particularly in relation to water, waste and sewerage;

An exaggerated economy with low incomes and limited employment opportunities resulting in underemployment.

Protecting the unique and precious environment of the Isles of Scilly, whilst addressing the ongoing challenge to diversify the islands’ economy, has been a continual challenge for those concerned with ensuring the viability of the Islands into the future. Due to the nature of the islands and its local economy, often different and more innovative solutions to particular problems are required. It is imperative that this differentiation is recognised at a regional and national level in order to achieve sustainable prosperity on the Isles of Scilly.

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<tr>
<td>D. To establish Cornwall and the Isles of Scilly as a place for wealth-creators and entrepreneurs and to improve economic value across all sectors</td>
</tr>
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Actions

These actions only outline activities that are additional to the other Objectives:

Enhance the environment

A wide range of high-quality visitor amenities and facilities that are linked to the Islands’ heritage and environment will be encouraged, along with improved environmental signposting and the development of links with environmental learning organisations. There is also a need to improve the quality of the built environment, especially the public realm, in Hugh Town.

Improve and market the quality of the visitor economy

There is a need to continue to market, deliver and develop the quality of the Isles of Scilly brand to ensure its competitiveness in a changing travel market and increase the value of visitors to the economy. Protecting the environment, developing the ‘shoulder periods’ to reduce the extreme seasonality of employment, raising the quality and rewards of tourism employment, including developing and promoting ‘green tourism’, are integral to achieving this action.

Diversify the agricultural sector

The flower-farming industry requires support in order to maintain its marketing drive and brand distinctiveness. In addition, support will be given to activities that diversify the agricultural sector (e.g. local food production, energy crops, small-scale tourism) such as training, the provision of equipment and added value and marketing initiatives.

Support fishing and marine industries

There is a particular need to support the fragile fishing industry with added-value and marketing initiatives, and also to support associated marine industries such as boat-building and repair, boating, sailing and diving, especially with training and marketing initiatives. The development of ‘off-shore’ activities, including potential aquaculture projects, will also be explored.

Deliver micro-diversification

There is a requirement to support the development of the arts and crafts sector, and to create the right circumstances for ICT and creative industries to incubate and flourish.

Significantly improve the social infrastructure

Key services and facilities on each island must be sustained. There is a real need to improve physical infrastructure on the Islands to meet 21st Century demands, e.g. water supply, sewerage, roads, waste management and energy. In particular, there is a need for a new and innovative approach to tackling the Islands’ waste. A water conservation and management plan is also required. There is a particular need for a single multi-purpose facility which will include (much needed) flexible sports facilities, employment space, provision for voluntary and community groups and opportunities for activities such as visits by business support advisors, for example. All developments should integrate improved access for those with mobility/sensory impairments. Working in partnership with the South West RDA, the Porthcressa regeneration plan will be completed.
Strategy and Action

Develop skills and learning

A training and skills needs analysis will be undertaken specifically for the Isles of Scilly, as the People of the Islands are often overqualified but with the ‘wrong’ qualification. The aim of this analysis will be to retain young, well-qualified workers. With core funding only available to those with qualifications below Level 2, a significant part of the workforce that requires upskilling is being excluded. The analysis will result in the preparation of an Operational Plan and will include improved access to and delivery of careers advice, business support and training.

Maintain and improve transport infrastructure and connectivity

This action will address the issues of peripherality identified in the Isles of Scilly Transport Strategy 2003 ‘Moving On’. Improvements to the transport infrastructure linking the Isles of Scilly to the mainland, particularly the sea-link, are required to ensure its reliability and affordability for island residents both for access to services on the mainland but also the delivery and export of goods. The transport infrastructure between the islands must also be improved, with measures pursued to tackle affordability and ensure that socially excluded groups are not disadvantaged. There is also a requirement to improve the quality of streets and the management of traffic in Hugh Town.

Develop and implement the Isles of Scilly Sustainable Energy Strategy

This addresses issues of carbon reduction, renewable energy production, energy efficiency, security of supply, self-sufficiency and fuel poverty.

Lead partner: Council of the Isles of Scilly

Lead partnership: Isles of Scilly Local Strategic Partnership

Other partners include:

- actnow
- British International
- Cornwall Agricultural Council
- Cornwall County Council
- District Councils
- Duchy of Cornwall
- Island Tourism
- Isles of Scilly Steamship Company
- Mainland Marketing
- Penwith District Council
- Rural Cornwall and Isles of Scilly Partnership
- South West RDA
- Tresco Estate
8. Linkages Between Themes, Objectives and Actions

Each of the Objectives have real linkages with other Objectives and Actions, across all themes throughout the document. For example, the actions prioritised within the Innovation and R&D Objective will not be successfully delivered without support for actions within the Employment Space Objective. This example is also supported by the provision of incubation facilities, the developments in Higher Education and the links between academia, businesses and the sectors. In addition, the Employment Space Objective will not be fully realised without adequate transport and ICT infrastructure. Technology and infrastructure requires business, individuals and communities who are educated to take advantage of it.

Global climate change has the potential to affect everyone and it is the responsibility of individuals as well as businesses and the Government to reduce its impact on the environment and readers will note that the importance of this issue is recognised across the entire strategy document.

Every effort has been made to establish linkages between the Objectives and Actions throughout the document. The supporting delivery/action plan clearly demonstrates these linkages in order to inform the delivery of the strategy.

9. Spatial Implications

In order to make sure that the successful delivery of Strategy and Action will achieve sustainable prosperity for all in Cornwall and the Isles of Scilly, it is particularly important that economic development activity takes place in appropriate spatial locations. This will ensure that the maximum economic benefit is derived, local communities are enhanced and the environment sustained.

There have been many spatial studies completed recently, and these must be considered when presenting delivery options. Examination of the various studies has identified potential challenges that face specific locations. For example:

**The Regional Spatial Strategy and the Cornwall Structure Plan (2004)**

There has been significant public policy emphasis recently on focusing large-scale growth in key major towns which, due to Cornwall’s historic settlement pattern, are largely in mid or west Cornwall. The Regional Spatial Strategy and the 2004 Cornwall Structure Plan both produced variants on a settlement hierarchy.

**Urban Regeneration Company for Camborne, Pool and Redruth**

In terms of planning and investment, the Camborne, Pool and Redruth conurbation is the are most well-developed, largely as a result of the establishment of the urban regeneration company which is dedicated to the area, CPR Regeneration, set up in November 2002. This has been set up in the depressed former mining heartland of Camborne, Pool and Redruth (partly as a result of identification in Regional Planning Guidance of the South West – RPG 10 – as a Principal Area for Regeneration). CPR Regeneration is one of only 22 urban regeneration companies set up in the UK and is focused on regenerating the area with a range of new homes, employment opportunities and leisure opportunities. The creation of the urban regeneration company provides these communities with the opportunity to create a master plan for the whole area, develop a series of linked projects to address the fundamental structural weaknesses of the area, and respond to emerging RSS housing allocations. There are clear lessons for other areas in this experience.
The Economic Potential of Cornish Towns Study  
(Roger Tym and Partners, 2006)

This projects that if congestion issues remain unaddressed, or traffic growth outpaces improvements, there are likely to be significant economic challenges for Truro, St. Austell, Newquay, Falmouth, Penzance and St. Ives.

The Draft Employment Space Strategy (Amion Consulting, 2006)

This projects an inevitable decline in manufacturing (across the board), bringing clear challenges for Bodmin, Launceston, Falmouth/Penryn, St Austell and the China Clay area, and Camborne, Pool and Redruth.

A30 links

There are significant challenges around access to the main route of the A30 – towns on or adjacent to it are more able to maximise their economic potential. Key towns that are distant from this arterial link are Bude/Stratton, Falmouth/Penryn, Helston, Liskeard, Newquay, St Austell, St Ives, Torpoint and Wadebridge.

Truro

As both a Strategic Urban Centre (Cornwall Structure Plan 2004) and a strategically significant town/city (Draft RSS 2006), and as the major employment centre for Cornwall, Truro has had to tackle emerging congestion challenges and develop a co-ordinated response to future development pressures. Carrick District Council has been involved in both the Way Ahead Initiative (the South West’s response to the Sustainable Communities agenda) and as a successful bidder in the Government Growth Point process. Truro has also developed a co-ordinated master plan for its area. This is due to be published as the Truro and Threemilestone Area Action Plan Preferred Options.

Employment and housing provision

A sufficient number and quality of homes must be provided, not only to meet the needs of a growing population and economy but also to resolve existing problems such as affordable housing and long-distance commuting by car. There is a need to ensure that key developments are mixed-use, and recognise that much of the planned infrastructure must serve to underpin housing growth. Work must be reflected in Local Development Framework Action Plans which link key projects within an overall planned approach, which should be accompanied by an integrated transport package. There are some examples of good practice now available in terms of these strands being developed together.

Rural considerations

It must be recognised that rural areas often require different and innovative options for delivery compared with their more urban counterparts.

Spatial and environmental considerations

Developments should take place where possible, where there is already good transport infrastructure and access to services in order to minimise the need for travel so as to adapt to issues such as climate change and peak oil.
Following analysis of the various spatial policies and studies, this strategy outlines three scenarios that must be considered and addressed to ensure that there is a balance between spatial opportunities and investment for strategic delivery:

1. Development in areas of opportunity These are areas where there is a potential for significant returns on investment by both the private and the public sector. The Draft Regional Spatial Strategy identifies that approximately 30% of the area’s jobs can be found in Truro, Falmouth/Penryn and Camborne, Pool, Redruth and that the bulk of economic activity will centre on these areas. Activities will focus on strategic investment projects that complement existing opportunities, such as the CUC in Falmouth/Penryn and the Urban Regeneration Company in Camborne, Pool and Redruth and also the complementarity of development between areas. The Draft Regional Spatial Strategy also indicates an important role for Penzance, Newquay, Bodmin and St. Austell.

The recent work on key towns and future business space needs highlights the distributed nature of employment and the scale of opportunity in many other key towns and rural areas. The delivery of Strategy and Action will support the modernisation of the business infrastructure in locations with the potential to secure significant new investment and which can add to the process of transforming the economy. This includes the 18 key towns identified as having the potential to contribute significantly to the economy. These are:

<table>
<thead>
<tr>
<th>Penzance</th>
<th>Truro</th>
<th>Falmouth-Penryn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hayle</td>
<td>Newquay</td>
<td>(2) Bodmin</td>
</tr>
<tr>
<td>St Ives</td>
<td>St Austell</td>
<td>Saltash</td>
</tr>
<tr>
<td>Camborne, Pool and Redruth (2)</td>
<td>Wadebridge</td>
<td>Torpoint</td>
</tr>
<tr>
<td>Helston</td>
<td>Bude-Stratton</td>
<td></td>
</tr>
<tr>
<td>Launceston</td>
<td>Liskeard</td>
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</tbody>
</table>

2. Development in deprived areas This will include areas, towns, settlements and wards that need intervention because of high levels of deprivation or loss of major employers, for example Camborne, Pool and Redruth, the China Clay area and Penzance. Development will focus on areas of opportunities, and areas of difficulty, where intervention may be required to address persistent under-performance. There will be close linkages with access to employment and learning and skills support. Where appropriate, interventions will contribute, either directly or indirectly, to the Government’s Liveability agenda. Development will be carried out on a planned and phased basis, taking account of future demand.

3. Development of a networked rural knowledge economy Outside the larger towns, the network of rural areas, villages and smaller towns can also make significant contributions to the future development of the economy. While there are generic economic development policies at District Council level (through emerging Local Development Frameworks [LDFs]) there is a lack of detail as to the nature of future employment growth and scale. These settlements are often busy, bustling centres of activity that could host cumulatively significant knowledge economy-based...
jobs. Service jobs and other spin-offs would also follow, with many perfectly capable of being situated in rural areas. This would involve ensuring that support is provided throughout the area, including access to higher education, ICT and business support, so that businesses and individuals in locations such as Brays Shop, Looe, Talskiddy or St Just can access assistance and develop innovative solutions which might offer considerable potential for economic development.

10. Monitoring Framework

Monitoring and review of *Strategy and Action* is imperative to ensure success. There are two key monitoring requirements:

i. Keep key characteristics of the economy under review

The work that has been done to underpin this document has revealed significant changes to economic and demographic characteristics within and across Cornwall. Such changes can occur rapidly, and need close analysis and interpretation.

It is important for the Cornwall and Isles of Scilly Economic Forum that key contextual monitoring about the performance of the local economy is kept up to date. It is in keeping with the spirit of this strategy that the local research and monitoring capacity (working in close partnership with the Local Intelligence Network Cornwall [LINC]) is further developed and supported in order to take this important work forward. The review of the evidence base contains a considered analysis of the key challenges and opportunities facing Cornwall and the Isles of Scilly. These will change over time, and new research and analysis will be considered. It is proposed that, if resources allow, the review of the evidence base is updated annually with new analysis. *Strategy and Action* will be revised at least every three years. However, the strategy, along with the evidence that underpins it, will be reviewed on a yearly basis and will be amended more frequently if evidence demonstrates fundamental changes to relevant conditions in the economy. This requires a resource commitment from key partners to enable local expertise to be utilised for this purpose. The future development of the local GVA model is particularly important.

Several of the Objectives highlight further research to be carried out. This needs to be undertaken in a co-ordinated fashion and should feed into future reviews of the evidence base.

ii. The direct contribution of *Strategy and Action* to its strategic aims

Traditionally a strategy would have a hierarchy of indicators, from its vision down to activities. There is often a creative approach taken to the links between targets, indicators and actual activities that are being monitored. The good news for Cornwall and the Isles of Scilly is that there is a plethora of agencies and organisations that are collecting and aggregating this data. With the new funding arrangements for EU and other sources being finalised, there is every chance that this will continue in some detail. *Strategy and Action* has opportunities to add value to this process. The first opportunity is to focus and concentrate resources into analysis and interpretation as outlined above. The second is to make a statement about what *Strategy and Action* is trying to achieve and the extent to which actions have been successfully delivered. *Strategy and Action* is not a direct delivery vehicle through which to accomplish activities. Monitoring processes should dovetail with funding
The monitoring framework for Strategy and Action consists of:

A. Annual review of the evidence base reporting on the changes and trends in incomes, earnings and productivity (key elements of GVA) The first important step is to monitor directly the changes and trends in incomes, earnings and productivity in Cornwall and the Isles of Scilly. (These are the headline indicators for the Strategy). These findings will be presented in detail in an annual review of the evidence base, which will look at published data in depth and commission new work and analysis where appropriate, capturing key changes and trends to Gross Value Added (GVA – the replacement measure for Gross Domestic Product).

B. Energy and sustainability issues There is a need to capture key changes and issues that reflect sustainability at a headline level. Work towards these measures will be carried out in order to report fully on these matters in the first annual review of the Evidence Base, for example, against amounts of carbon traded, energy efficiency measures installed, renewable energy installed, new sustainability training courses attended and the extent to which fuel poverty has been alleviated.

C. Monitoring of strategic actions This will be very much focused on delivery-evidence that actions have been accomplished, or that progress has been made towards such accomplishment. The outcomes from such activities – jobs, output, square metres of floorspace, environmental best practice, etc. These should be recorded and reported by the body responsible for public investment in particular projects. This will avoid the double counting which can arise from several agencies claiming credit for the same outcomes. There will also be a performance management system developed during the course of the strategy, an element of which will be to identify and monitor progress towards high-level strategic targets.

D. Annual reporting on key achievements and project progress Monitoring in itself is an iterative process – the detail of working out what to monitor can sometimes assist in redefining the planned activity. Where it is demonstrated that an actions cannot be monitored, the language or the intention may need to be redefined. Consequently, for each of the priorities identified in this strategy, detail is provided on the key organisations responsible for delivery. The Cornwall and Isles of Scilly Economic Forum will have ultimate responsibility for keeping relevant evidence up to date and this data will be hosted on the Economic Forum web site, with regular reports being produced and circulated to all partnerships and organisations identified as being responsible for the delivery of the strategy.
The Cornwall and Isles of Scilly Economic Forum is responsible for the development and monitoring of *Strategy and Action*. 

*Strategy and Action* takes as a major reference point the Regional Economic Strategy (RES) produced by the South West Regional Development Agency on behalf of the South West region. It places the priorities identified in the RES in a local context. It is also a key tool with which to inform the South West Regional Assembly and South West RDA of local strategies, ideas, projects and priorities.

The Cornwall and Isles of Scilly Economic Forum is responsible for the development and monitoring of *Strategy and Action*. It works closely with partners and has a leadership role in encouraging the delivery of economic development activities. However, the Economic Forum is not a delivery partnership in its own right.

It is acknowledged that not all economic development activities will contribute individually towards the development of the area as a low-carbon economy, and it is likely that within the timeframe of this strategy (before 2021) changes in policy will be required (the Government’s recent announcement on the introduction of carbon trading, for example, highlights one area in which national policy is developing rapidly). Other strategic debates will also be needed, and the Cornwall and Isles of Scilly Economic Forum is well positioned to undertake a leadership role in ensuring that there are appropriate mechanisms for these debates to take place. These could potentially inform policy decisions outside of, but closely linking with, the delivery remit of the Cornwall and Isles of Scilly Economic Forum.

This strategy is the result of a lengthy and inclusive consultation process carried out on the basis of priorities highlighted from a robust, locally produced evidence base and independent economic analysis. The consultation process to date has included a major conference for all interested parties that took place in September 2005, an eight-week consultation process between February and April 2006 (which included a series of presentations to various partnerships and organisations) and a ‘key findings’ event to review the evidence base in June 2006, along with extensive informal consultation since June 2005. A second formal consultation process took place on the draft strategy in September 2006 before the final strategy was produced and agreed by the Cornwall and Isles of Scilly Economic Forum. Considerable work has been undertaken in conjunction with the Rural Cornwall and Isles of Scilly Partnership (RCP) and the Cornwall Agricultural Council (CAC) to ensure that this strategy integrates rural issues within the document.

The timescale for the strategy and its vision was agreed to be 2007-2021 as it allows sufficient time after the period of Convergence to measure the impact of the European Funds and enable future planning for economic development.

Whilst Cornwall County Council, the District Councils and the Council of the Isles of Scilly do not have a legal requirement to produce economic development strategies, *Strategy and Action* details the economic development framework and priorities for Cornwall, its districts, and its various sectoral businesses and local communities. This will sit alongside Cornwall’s Community Strategy and the District Local Development Frameworks, as well as the Integrated Area Plan for the Isles of Scilly, and will also feed into Cornwall County Council’s Economic Development and Regeneration Strategic Plan. The strategy adopts Cornwall County Council ethnic monitoring policy and will incorporate the principles during delivery. The review also provides an important contribution to the structuring of a co-ordinated and strategic approach to the delivery of ‘Economy and Enterprise’ outcomes, as part of the development of a Local Area Agreement (LAA) for Cornwall.
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13. Glossary of Terms

**Agriculture**: Agriculture, horticulture, forestry and other land use.

**Broadband**: A broadband connection (ADSL) provides high-speed Internet access over a standard phone line. The advantage of a broadband connection over a standard dialup service, is that broadband is considerably faster and is ‘always-on’, meaning that once a PC is logged in, it is online until turned off again. Broadband allows telephone calls and a permanent Internet connection to share a single phone line simultaneously.

**Carbon footprint**: A representation of the effect human activities have on the climate in terms of the total amount of greenhouse gases produced (measured in units of carbon dioxide). There are many different calculators available for carbon footprinting.

**Cluster**: Geographic concentrations of interconnected companies, specialised suppliers, service providers, firms in related industries, and associated institutions (for example, universities, standards agencies and trade associations) in particular fields that compete but also co-operate.

**Combined heat & power (also referred to as cogeneration)**: The simultaneous production of electrical power and thermal energy from a process, thus reducing any heat or energy lost during the process.

**Community enterprises**: This refers to non-profit-distributing economic activities run by local community groups.

**Condition management programmes**: These are programmes that offer 1:1 advice from a health-care professional on the possibilities of work, followed by structured interventions to manage an individual’s health condition and move them towards their employment goals.

**Cornwall Innovation System**: A small, high-level innovation team to be developed with strong leadership from the main drivers of innovation in the area, which will lead the integration of innovative actions into a seamless system for the benefit of prospective entrepreneurs and to develop new and existing businesses linkages.

**Cornwall Fusion**: The ‘Cornwall Fusion’ Programme will be developed following best practice identified in other regions. This concept proposes to develop the entrepreneurial skills of indigenous business by encouraging informal think-tank sessions and follow-up, with individual team-building support to develop ideas.

**Culture**: Culture, in its broadest definition, is a way of life – a set of shared values, customs and models of social organisation.

**Distinctiveness**: The distinctiveness of Cornwall and the Isles of Scilly is found in the depth and wealth of natural and cultural assets that collectively contribute to its image and identity, and that, coupled with the character of its people and place, present real opportunities for sustainable prosperity. This distinctiveness is the foundation for a positive image that can be capitalised upon to attract visitors, businesses and investment, and it is underpinned by a strong community spirit and loyalty.

**Economic activity rate**: This shows the percentage of people who are either in work or seeking work.

**Economic inactivity**: This refers to those people who are not looking for, or are not available for work.

**Energy Service Company**: Energy services typically comprise a package of energy-
efficiency measures, energy advice, energy supply and access to grants and finance. Many energy services schemes involve a long-term partnership with a gas and electricity supplier that can offer competitive energy supply alongside many of these other services.

**Entrepreneurship:** An entrepreneur is an individual who accepts financial risks and undertakes new financial ventures. The word derives from the French ‘entre’ (to enter) and ‘prendre’ (to take), and in a general sense applies to any person starting a new project or trying a new opportunity. Entrepreneurship can be described as the way in which entrepreneurs apply or exploit creativity and innovation.

**Food:** This covers food production, processing and distribution. A food chain also includes consumption.

**Fuel poverty:** A fuel-poor household is one which needs to spend more than 10% of its disposable income to heat its home to an adequate standard of warmth (21°C in the living room and 18°C in all other rooms).

**Gothenburg Agenda:** This is the EU agenda for sustainable development.

**Gross Value Added (GVA):** This measurement is used to estimate the contribution each producer, sector or area makes to the economy. It represents the value of goods or services as they leave the sector or area minus the inputs used to produce them.

**Growth:** When used in the context of economic development in this document, growth refers to the progression to a more advanced economy from the existing base. This may be in terms of the value of the economy in relation to the size of the working population (productivity) or in relation to the resources used (e.g. natural resources), or both. Economic growth will be driven in the context of well-being and prosperity rather than for the sake of growth itself.

**Heat pump:** An electrically driven compressor that removes a larger volume of low-level heat from one location (source) and transfers it to another location as a smaller volume of higher-grade heat. Using 1kW of electrical energy, a heat pump can deliver 3–4kW of heat.

**Incapacity benefit:** This is paid to those people who are unable to work due to sickness or disabilities.

**Innovation system:** A set of distinct institutions which jointly and individually contribute to the development and diffusion of new technologies and which provide the framework within which governments form and implement policies to influence the innovation process. As such it is a system of interconnected institutions to create, store and transfer the knowledge, skills and artefacts which define new technology. (Metcalfe, S – 1997)

**Knowledge economy:** An economy that uses knowledge to produce economic benefits and in which knowledge is recognised as a source of competitiveness.

**Knowledge society:** A society that creates, shares and uses knowledge for the prosperity and well-being of its people.

**Lead partner:** The organisation(s) tasked with ensuring that actions are delivered or progressed.

**Lead partnership:** This refers to the body responsible for monitoring delivery of the actions and which will report on progress to the Cornwall and Isles of Scilly Economic Forum.
Lisbon Agenda: European and UK economic regeneration policy is increasingly being driven by the Lisbon Agenda, whereby the EU set itself the goal of becoming the most competitive and dynamic knowledge-based economy in the world. This means a significant increase in emphasis on competitiveness, innovation and a more knowledge-based economy, and the explicit targeting of investment on outcomes that will drive this.

MCTIs: Market and Coastal Town Initiatives.

Modal shift: Transfer of goods or people from roads to other modes of transportation.

NEET: Not in education, employment or training.

NVQ: National Vocational Qualification.

On-site renewables: Renewable energy technologies that are fitted to provide a direct source of renewable energy supply to an individual building or group of buildings. Examples include micro-wind turbines, solar panels, heat pumps and biomass boilers. These smaller-scale technologies are also often referred to as micro-generation technologies.

Peak oil: This is also known as Hubbert’s Peak, and refers to a singular event in history: the peak of the entire planet’s oil production. After peak oil, according to the Hubbert Peak Theory, the rate of oil production on Earth will enter a terminal decline. Initially, a peak in oil production would manifest itself as rapidly escalating prices and a worldwide oil shortage. This shortage would differ from shortages of the past because the fundamental cause would be geological, not political. While past shortages stemmed from a temporary insufficiency of supply, crossing Hubbert’s Peak means that the production of oil continues to decline, so demand must be reduced to meet supply. The effects of such a shortage depend on the rate of decline and the development and adoption of alternatives. If alternatives are not forthcoming, then the many products and services produced with oil become scarcer, leading to lower living standards in all countries.

Private wire: Private-wire networks are stand-alone electricity networks, some of which are capable of operating without connection to the grid. Electricity is created specifically to provide electricity for users connected to the private-wire network. Surplus electricity not used on the private network can, in the case of some private-wire networks, be sold back to the local grid.

Productivity: The value of goods or services produced by an area (or sector) per worker (this is the most common measure).

Renewable energy: Energy from sources that cannot be used up: sunshine, water flow, wind and vegetation. The term ‘sustainable energy’ represents both renewable energy and energy efficiency measures.

Rural: The Rural Economic Strategy defines the term ‘rural’ as encompassing all economic activity that takes place in, and generates income for and retention of wealth in, areas outside the major conurbations. This includes agriculture, manufacturing, distribution, tourism, administration and services. Recognition of the contribution to the rural economy made by community enterprises and facilities (e.g. village halls), is essential in understanding the rural community as an economic driver.

Sector: A part or branch of an economy, or of a particular industry or activity. This is frequently seen in phrases such as ‘private sector’ and ‘public sector’.

Sectoral routeways to work: These are pre-recruitment courses, activities or training schemes for jobless people that meet the specific needs of / are tailored to specific employment sectors or specific employers.
Sport: ‘All forms of physical activity which, through casual or organised participation, aim at expressing or improving physical fitness and mental well-being, forming social relationships or obtaining results in competition at all levels’ (Council of Europe Sports Charter, 1993).

Standard Assessment Procedure (SAP): A means of determining the energy efficiency standard of a dwelling. It uses a scale of 1 (worst) to 120 (best) in measuring the heating and insulation characteristics of the property. The Regional Housing Strategy states a target of achieving a minimum of SAP 65 for all households across the region.

Sustainable development: The concept of sustainable development is now central to policy at the European, UK national, regional and local levels. Sustainable development is about ensuring a better quality of life for everyone, both now and for future generations. Pursuit of the goal of sustainable development requires consistent and mutually supportive action on three fronts: economic prosperity, environmental sustainability and social equity.

Sustainability: ‘Sustainability integrates natural systems with human patterns and celebrates continuity, uniqueness and place-making’ (Early, 1993).

The third sector: This refers to organisations that form part of the voluntary and community sector.

Triple helix: Collaboration between the private, public and educational sectors.

Whole life costing: A method of evaluating or comparing building materials and components by looking at installation costs, lifespan, running and maintenance costs.

Worklessness: Worklessness refers to people of working age who are not working. These people are either students, people looking after their families and homes, or those in receipt of benefits due to unemployment, ill health or because they are bringing up children alone.