

Strategy and Action

**The Economic Development
Strategy for Cornwall and the Isles
of Scilly**

2007-2021

Final Draft

20th December 2006

Executive Summary

This is a forward-looking strategic document that highlights the most important priorities for economic development in Cornwall and the Isles of Scilly for 2007-2021.

What is the Vision?

'To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly'.

What are the Four Framework Goals?

Strategy and Action will contribute towards the achievement of four key framework goals for sustainable prosperity in Cornwall and the Isles of Scilly. The framework goals link to the European Union's Lisbon agenda for competitiveness and to the Gothenburg sustainability agenda. The four framework goals reflect the objectives of the Regional Economic Strategy:

- To establish Cornwall and the Isles of Scilly as a knowledge economy and society;
- To ensure environmental sustainability;
- To remove economic and social disadvantage and improve the well being of people;
- To establish Cornwall and the Isles of Scilly as a place for wealth creators and entrepreneurs and to improve economic value across all sectors.

What are the objectives of Strategy and Action?

The Strategy is divided into three chapters – ***Improve Competitiveness, Develop People, and Enhance Connectivity and Place***. Each chapter hosts a series of objectives and key actions. The vision cannot be achieved by the piecemeal delivery. It is imperative that deliverers of Strategy and Action work together, if the vision is to be attained.

To **stimulate innovation and Research and Development** and develop capacity in the area, there must be a supply of flexible and educated people, together with increased entrepreneurship and enterprise in young people developed through the educational process and through cultural and creative opportunities.

The provision of a supply of flexible and **Appropriate Employment Space** will enable rather than drive productivity and development. Incubation facilities for innovative businesses to invest in research and development, promoting growth, will need to be coupled with transport access, financial investment, educational and academic expertise.

The **provision of business support** and the **encouragement of sector development** are dependent on the commitment of businesses and individuals to aspire to develop, grow and to take risks. Successful delivery relies on information sharing, business finance opportunities and access to quality learning and skills.

In order to **transform Cornwall and the Isles of Scilly into an Information Society for all** there must be a shared responsibility to provide the appropriate infrastructure, business support, awareness-raising and skills development to ensure that the opportunities offered by ICT are fully exploited.

Achieving Economic Inclusion and Reducing Worklessness will unlock a significant untapped resource which has the potential to secure significant economic benefit in terms of increased GVA. It will also provide substantial social benefits if individuals are motivated and inspired to develop and to become economically active. Delivery of this objective will require individual support, access to transport, the provision of education and training and the opportunity to develop creative and innovative ideas.

The provision of learning and skills will ensure that **Young People have the best start** in life. Continued **support for Higher Education** and the encouragement of **Workforce Development** work hand in hand with aspirational and motivational development, working with those who are economically inactive, providing the right educational infrastructure and access to it. Workforce

development is intrinsically linked with the sector approach to business development and academic expertise is a fundamental element of innovation and research and development.

Working towards **energy sustainability** involves developing capacity to provide alternative sources of fuel which will mitigate or, hopefully in the future, remove the negative effects of other activities on climate change. The focus on this objective means that the environmental technology and renewable energy sector will be targeted for development through increased investment in R&D, business support and sector development.

Improvements in Transport Infrastructure does not directly drive economic development, but enables other activities to occur such as business, recreation and access to services. This objective is particularly closely linked to the provision of employment space, enhancing connectivity and place, the image and perception of businesses, potential inwards investors and visitors.

The culture and distinctiveness of Cornwall and the Isles of Scilly will contribute to the successful delivery of Strategy and Action. All objectives can **build on and utilise cultural distinctiveness**. This is fundamental to ensuring sustainable levels of prosperity by providing a compelling context for trading opportunities, promoting healthy lifestyles and developing a motivated, inspired and loyal workforce sustaining the area as *the* place to live, work, invest and visit.

Developing sustainable communities with community engagement will develop aspiration, strengthen skills and produce innovative local solutions for economic development challenges. Other objectives contribute to secure sustainability, such as access to services including transport, business support, health, sport and building on environmental and cultural distinctiveness.

The continuing **development of the Isles of Scilly** requires similar responses to the area overall. For example, there is a need to enhance the quality of the public and private visitor offer, and ensure that the local workforce has the appropriate skills. Improvement in transport infrastructure and service is imperative both in terms of economic security and social equity. However, the challenges are much more acute, and the opportunities less abundant than in mainland Cornwall.



Contents

1.	Chairman's Foreword	5
2.	Statement from Cornwall County Council	5
3.	Purpose	6
4.	Context	6
5.	The Vision	7
6.	Strengths, Weaknesses, Opportunities and Challenges	9
7.	Framework Goals	10
8.	Objectives	11
Chapter 1 - Improve Competitiveness		
i)	Stimulate Innovation and R&D	12
ii)	Create Appropriate Employment Space	14
iii)	Provide Business Support	17
iv)	Encourage Sector Development	19
v)	Transformation into an Information Society for All	22
Chapter 2 - Develop People		
i)	Achieve Economic Inclusion and Reduce Worklessness	25
ii)	Provide the Best Start for Young People	27
iii)	Support for Higher Education	29
iv)	Improve Workforce Development	31
Chapter 3 - Enhance Place and Connectivity		
i)	Ensure Energy Sustainability	33
ii)	Provide and Improve Transport Infrastructure	35
iii)	Build on a Distinctive Cornwall	38
iv)	Develop Sustainable Communities	41
v)	Develop the Isles of Scilly	44
9.	Spatial Implications	46
10.	Monitoring Framework	48
11.	Strategy Development	50
12.	Acknowledgements	50
13.	Bibliography of Key Sources	51
14.	Glossary of Terms	51

Appendices

- Appendix A - Review of Evidence Base
- Appendix B – Strategic Context
- Appendix C – Environmental Assessment
- Appendix D – Equality Impact Assessment

1. Chairman's Foreword

Over the last year, an enormous amount of work has gone into the second major review of *Strategy and Action*, the economic 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 all of you who have taken 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 will need to do if it is to realise its 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 fifteen 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 for a substantial injection of European Investment, we need to concentrate on identifying what is **most** important to transform the economy. So, it is vital that we build on the comprehensive framework, which *Strategy and Action* now provides, by making sure we all agree on what are the highest priorities to achieve our ambitions.

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 by growing local businesses and attracting those willing to invest in our economic future.

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

I intend to ensure that, with your support over the next few months, we agree on those priorities that will help transform the economy and will be realistic, sustainable and supported by our regional and national partners as well as Cornwall and the Isles of Scilly. Our focus will include the upgrading of the digital infrastructure, the strengthening of support for research, development and innovation with more businesses trading nationally and internationally on the basis of knowledge and expertise.

I hope you will agree that *Strategy and Action* is a great start and has laid the foundations for what might be an even harder process - agreeing what is truly critical for the economy of Cornwall both in the short and long term. 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 of 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, setting out the vision for Cornwall and the Isles of Scilly and assisting to identify the objectives needed to achieve sustainable prosperity.

It is designed to give clear guidance on the policies and priorities across Cornwall and the Isles of Scilly. *Strategy and Action* 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 actions. *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 in Cornwall because of a geographical climate and geological factors. Agriculture is, by definition, a land-based industry and the climate has allowed the development of a strong dairy and horticulture tradition. Access to the sea produced a fishing industry, and a significant marine manufacturing industry and an abundance of minerals. This put Cornwall at the forefront of the industrial revolution with deep shaft mining and the china clay industry and its associated engineering industries. Even the location of more modern facilities such as the Goonhilly earth station and the Ministry of Defence (MOD) sites, were in part dependent on geography. Similarly, despite recent changes in the visitor economy, it is still largely reliant on the natural and managed landscape and shores of Cornwall and the Isles of Scilly for its success.

Cornwall and the Isles of Scilly 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, the area 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 its distinctive culture. We are presented with an exciting opportunity to drive the transformation of Cornwall and the Isles of Scilly into a globally competitive, knowledge-based, sustainable, inclusive and wealthy society which maintains and protects its environment and its distinctive culture. *Strategy and Action* is informed by local, regional and national and EU strategies and policies. At a local level, economic development is an integral strand of the Cornwall Community Strategy. At a regional level, it has been important to align closely with the Regional Economic Strategy, the Regional Spatial Strategy and the Regional Skills Strategy and the Community Strategic Guidelines at an EU level, have also been used to inform the Strategy. This is particularly important 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 than in previous generations. The advent of globalisation and free movement of capital has transformed local economies throughout the world. Dramatic changes have been seen in the way goods are manufactured, transported and sold. Much manufacturing has been transferred to Far East or Eastern European factories. Cornwall and the UK are moving on and is developing a knowledge-based approach. This requires 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 (HE) sector. Information and communication technology is significant for Cornwall and the Isles of Scilly as it challenges the traditional shortcomings of peripherality and transforms itself into a modern, globally competitive economy.

The developers and manipulators of knowledge can be based anywhere in the world. Cornwall and the Isles of Scilly offer 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. Altogether, Cornwall and the Isles of Scilly is seeking to pursue the goal of becoming a unique knowledge hub in a peripheral, rural setting. Cornwall and the Isles of Scilly seek to encourage all its businesses to develop high standards of service, investment and training. This is vital to raise productivity and to achieve competitiveness in the global context. The public sector is active in supporting the economy 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 30th October 2006 the findings of the review by Sir Nicholas Stern on the 'Economics of Climate Change' was released. The Stern review demonstrates 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 worse case scenarios potentially draining 20% or more from global Gross Domestic Product (GDP). In contrast, however, the report concludes that, with immediate action, the costs of action 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.

Local responses are required to adapt to issues such as global warming and climate change, oil dependency, travel patterns and the current fragility to world energy supply. With increasing demand for energy, 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 provided energy and manufacturing processes would go some way to shielding the area from any impacts of world wide oil price rises. Encouraging growth that lessens 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. In order to achieve long-term sustainability, taking steps towards achieving a carbon neutral environment is essential if the environment that is loved by both residents and visitors alike is maintained for enjoyment by future generations. The landscape and the rural areas are also integral to the future economic development with farmers, land managers, rural business and rural communities having a vital role to play.

Starting from a very low base, Cornwall and the Isles of Scilly is developing a growing economy. Being environmentally responsible the area encourages growth in ways which lessen the need to travel and are energy efficient and also capitalize on opportunities to develop environmental economic sectors based on natural assets. Also renowned for its distinct and celebratory culture, including its World Heritage Site mining landscapes, as well as its native minority language, sustainability and creativity lie at the heart of the future economic well-being of Cornwall and the Isles of Scilly. The combination of distinctiveness, sustainability and responsible environmental management are sound foundations upon which to build a modern, knowledge-based economy which will sustain a skilled, vibrant and flexible population in a place which is loved by both residents and visitors alike.

A detailed and robust analysis of the evidence base can be found at Appendix A.

5. The Vision

'To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly'.

We will have achieved our vision when: -

- Cornwall and the Isles of Scilly is as highly regarded across the world for the development, application and commercialisation of knowledge, ideas, and sustainable wealth creation as it is for the outstanding quality of its environment and distinctiveness of its culture.
- Cornwall and the Isles of Scilly is recognised as a leader in renewable energy and environmental technologies
- People recognise and take advantage of the opportunity to achieve higher skills as a way to realise their potential enabling them to access better quality employment and earnings.
- Investment in infrastructure and technology enables Cornwall and the Isles of Scilly to compete successfully within a global economy
- The well-being of individuals, communities and businesses is highly valued, a well-embedded culture is celebrated and creativity, stimulating continued renewal and exploration
- When the unique environment of Cornwall and the Isles of Scilly is an inspiration to creativity, economic growth is achieved within environmental limits and the area exploits the opportunities that arise from its establishment as a sustainable low carbon economy.

6. Strengths, Weaknesses, Opportunities and Challenges

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Resilient business base and entrepreneurial spirit, with high levels of self employment ▪ Economic momentum - recent economic and employment growth ▪ Some strong sectoral performance ▪ High level of Broadband penetration ▪ Strong brand, increasingly linked to quality values and positive external image both UK-wide and internationally ▪ Growth poles, such as the Eden project and Newquay Airport ▪ Early success of the Combined Universities in Cornwall project and sector led workforce development ▪ The area's unique culture, strong sense of community and place ▪ The area's quality of life ▪ Outstanding coastal, natural and managed environment ▪ Strong partnership base, formal and informal networks with a strong loyalty to Cornwall and Isles of Scilly 	<ul style="list-style-type: none"> ▪ Small internal market and remoteness from other major UK and global markets ▪ Limited higher value added service sector economy ▪ Predominance of lower paid employment and lack of graduate and higher skilled jobs ▪ Level of skills and availability of jobs to match ▪ Low levels of business productivity ▪ Low numbers of exporting businesses and low level of innovation, product and process development ▪ Persistent recruitment and skills shortages linked to a low skills base ▪ High levels of worklessness (consistent across the UK) and pockets of severe deprivation including associated health issues ▪ Social, economic and environmental conditions, for example, in Camborne, Pool and Redruth and the Clay country ▪ Lack of investment in some key towns ▪ Poor transport connectivity and limited access to services ▪ Reliance on imported energy
Opportunities	Challenges
<ul style="list-style-type: none"> ▪ Post 2006 EU Funding, particularly Convergence ▪ Much improved transport links ▪ Newquay Cornwall Airport and new services to UK and European destinations ▪ Provision of quality and appropriate employment space ▪ Further development of broadband, ICT and digital media ▪ Increased trading nationally and internationally ▪ Local sourcing and procurement ▪ Enterprise opportunities arising from responses to climate change ▪ Combined Universities in Cornwall and growth in Higher Education, especially in North and East Cornwall ▪ Peninsula Medical School and bio science which will contribute to GVA and benefit the ageing population ▪ Increase value of Marine, Creative, Tourism and Food industries ▪ Significant opportunities to develop the workforce skills platform and move towards a learning society ▪ The deployment of assistive technologies enabling people with disabilities to assume full participation in employment ▪ Investment in higher quality visitor facilities linking the cultural infrastructure with the visitor economy to develop a high quality year round market ▪ Increasing numbers of entrepreneurs focussing particularly on females ▪ Environmental technologies, renewable energy and micro energy production ▪ 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 	<ul style="list-style-type: none"> ▪ Climate change, peak oil and protection of environment ▪ Local responses to global energy, fuel cost and other environmental challenges ▪ Managing new business investment (demand for land and premises) ▪ Improving the range and quality of new business starts ▪ Raising aspirations and encouraging competitiveness amongst existing businesses ▪ Globalisation of trade ▪ Restructuring and modernisation of industries such as china clay, agriculture, fishing and tourism. ▪ Addressing the persistent levels of worklessness ▪ Increasing the provision of higher paid and higher skilled employment in the economy ▪ Retaining well qualified workers ▪ Quick response to business/industry closure ▪ Managing continued economic and population growth within environmental and cultural limits by applying sustainable development ▪ Increasing congestion as car ownership increases along with rising visitor and resident numbers, especially on major trunk roads in peak season ▪ Poor public transport connections between key centres and out of the area. ▪ Maintenance/improvement of coastal infrastructure especially sustainable ports and harbours ▪ Sustainability of the Isles of Scilly ▪ Demographic ageing of the population ▪ Affordability of housing

7. Framework Goals

For Framework Goals Summary Diagram see separate document

Strategy and Action will contribute towards the achievement of four key framework goals which will provide the ultimate aims for economic success in the area. The framework goals provide links to the European Union's Lisbon agenda for competitiveness and provide links to the Gothenburg sustainability agenda. Both of these agendas have been set out and agreed by the European Union and all the member states. The four framework goals 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, and will be known to 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.

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

Some traditional industries often derive benefit from the use of scarce resources. As knowledge does not wear out and people can duplicate it practically without cost, it is a source of increased value and increased productivity, which can increase value without diminishing it somewhere else.

The Knowledge Economy refers to the use of knowledge to produce economic benefits, characterised by the recognition of it 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
- A fundamental foundation for the creation of this economy is a knowledge society, which creates, shares and uses knowledge for the prosperity and well-being of its people" and that ensures no communities nor individuals are excluded from the 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 and capacity to grow the economy

This framework goal 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 the environment will be further enhanced as well as protected. Placing environmental considerations at the heart of business practice offers commitment to sustainability in activity and provides an opportunity to explore development solutions that are highly marketable and profitable. The environment is an economic driver which underpins the diverse industries and sectors. It will contribute towards development within a knowledge economy which is part-founded upon 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, with low emission power, will be encouraged along with sustainable transport solutions. For example, a transparent, scientifically rigorous mechanism for offsetting carbon production will be developed and the area will be at the leading edge of sustainable practise, providing additional exciting branding and marketing opportunities

to both investors and visitors. Remediation of past environmental damage is an important area for improvement and such actions will benefit the environment, the economy and society and the ultimate aim is to develop the area and reap the benefits of a low carbon economy.

This framework goal will assist Cornwall and the Isles of Scilly to contribute to the Gothenburg Strategy which focuses on the importance of the social and the environmental aspects of economic development.

C. To Remove Economic and Social Disadvantage and Improve the Well-being of People

Cornwall and the Isles of Scilly will tackle economic and social disadvantages and inequalities for people in order to improve well being through developing appropriate understanding and skills. Particularly with support for young people and by widening opportunities and raising aspirations for all to be part of, have access to and benefit from a caring encouraging society. The opportunity should be provided to all to access skills and training, education, and 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' needs energy, resources and commitment and help is needed to ensure inclusion, to break down barriers and build bridges. The well-being of local people is particularly important and the role the 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 differentiating factor with the rest of Britain, and provide the bedrock of community which is proud of itself but open to new ideas and diversity.

This framework goal will help towards the contribution of Cornwall and the Isles of Scilly to the Gothenburg Strategy which focuses on the importance of the social and the environmental aspects of development

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 which 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 and a quality of life and a strong brand that it is important for local businesses and inward investors. It will drive increased productivity in both the public and private sectors. It will be high on the choice list for wealth creators, high value businesses and innovative, creative entrepreneurs to run their businesses. This framework goal 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 to help all businesses to grow, innovate and extend 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 plays an important role in achieving this.

8. Objectives

Chapter 1 – Improve Competitiveness

Cornwall and the Isles of Scilly will be a place where wealth creators can flourish, businesses increase productivity and contribute to an enterprising and higher added value economy and where more businesses with growth potential build a knowledge-based economy which 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 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 develop a network that is

recognised as world leading in its innovative approach to supporting 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

Objective: Stimulate Innovation and R&D

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

- raising ambitions and aspirations
- focus efforts on specific clusters with globally competitive and high-value potential
- creating mechanisms by which Cornwall's knowledge based businesses can compete globally
- attracting new value added business
- fostering a creative, highly skilled responsive and flexible workforce within a socially inclusive economy
- promoting the importance of R&D and innovation with employers
- establish the means of exchanging knowledge between local employers and centres of learning/external centres of research

Why this is important

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 2005 UK Innovation Survey (Office of National Statistics (ONS) and Department of Trade and Industry (DTI)) found that from the businesses with a high level of innovation. 73% 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, an 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 24% below national, 8% less of the workforce are qualified to NVQ4+ (degree level or equivalent) and R&D spend is 76% lower than the national average (see the knowledge-driven economy and innovation section of the Evidence Base Review [Annex A] for more details). These weaknesses leave the local economy vulnerable. Grasping the opportunities of 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.

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 quotes that 80% of the environmental impact of a product is determined at the design stage. Therefore this Objective needs to incorporate environmental considerations at an early stage.

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 (air, sea and land-based) production for local use and export of products responding to environmental and energy related opportunities.

For example, the proposed Wave-hub project is a groundbreaking renewable energy project which 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. The hub will 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 the new wave power industry

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.
- 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 with access to finance and business support
- Research what it takes for a knowledge-based rural economy to succeed and exploit this research elsewhere.

▪ **Encourage Further Inward Investment by High Value Business**

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

▪ **Develop a Programme of Knowledge Exchanges/Placements**

Bring in world class knowledge, including knowledge in academic disciplines, technology, markets, business process, and skills drawn from world class regional, national and international partners. Share knowledge within Cornwall for example, by placing local graduates and post-graduates in local businesses.

▪ **Create a Branded 'Cornwall Innovation System'**

Improve co-ordination of activity 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 IPR are examples of activities that would be included within the 'System', which would be developed within the context of the business support simplification agenda and link to DTI's International Technology Service.

▪ **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 the process will be supported through the development of appropriate employment space such as incubators and science parks. This will be twinned with international colleagues and institutions to facilitate global business competitiveness, taking and adapting best global practice including the creation and protection of intellectual property rights (IPR) to be and supported by the Cornwall Innovation System. It will also include state-of-the-art facilities and companies are 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 propose pilot centres currently being developed at Omega, Tremough and the Medi-Park at Treliske, further developments should be considered in other areas such as the North and South East of Cornwall and areas within Restormel.

Contribution to Framework Goals

A. To establish Cornwall and 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	Through exploitation of knowledge, investments in research and

sustainability	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 and improve the well being of people	Developing skills and investment in knowledge and adding value to businesses will lead to increased earnings and higher value employment bridging the divide.
D. To establish Cornwall and 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 creators. The R&D and exploitation of knowledge has the potential to benefit and add value in all businesses.

Lead Partner: Combined Universities in Cornwall/ Cornwall Enterprise

Lead Partnership: Knowledge Economy and Innovation Task Force

Other Partners include:

Business Link

Cornwall Chamber of Commerce and Industry

Learning and Skills Council

Private sector institutions, firms and intermediaries

Third sector Organisations

Local Intelligence Network Cornwall (LINC)

Renewable Energy office for Cornwall (REOC)

Cornwall Business Partnership

Finance Cornwall

South West RDA

South West Investment Group

County and District Councils

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 provides employment opportunities for all.

It 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 which 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 employment space in areas which 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 existing and new infrastructure, in particular, transport and ICT
- Promote high levels of sustainability and design quality and environmental excellence, including on site renewable energy where appropriate
- Ensure informed and accessible dialogue between the private sector and the various public sector partners
- To integrate with the natural and built environment and to secure adequate mitigation where the need may arise

Why this is important

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 does not work efficiently because of a number of market failures including those which are external to Cornwall and the Isles of Scilly. Local issues such as business rates, poor transport links and a failure to meet market demands present significant difficulties but also National economic policy and interest rates have a negative effect.

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 little incubation and grow-on space available 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 in more rural locations which offer the potential for conversion into modern workspace, providing there is appropriate transport 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 which indicate continued restructuring within the economy leading to additional net demand for offices and warehouses, with demand for factory floorspace expected to be stagnant. Significant demand is also anticipated from existing businesses to move to modern accommodation (replacement demand). In addition, there is the potential for growth poles, including iconic projects (such as CUC and Newquay Cornwall Airport) to be a catalyst for high levels of economic growth. It is also recognised that changes in working practices will in the future, affect demand for premises particularly 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 resources of the planning process and other central government agencies (including the Highways Agency and Environment Agency) to react quickly.

Actions

A comprehensive package of actions is being developed as part of the Cornwall and the 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

This includes the identification and prioritisation of key sites with a programme of intervention to service and bring forward the key sites on a phased basis (including the provision of appropriate transport infrastructure and access development).

▪ Provide Employment Space

Facilitate a range of space 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 to ensure an appropriate spatial provision, this reflects 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, including how prudential borrowing might be used, as well as other sources of public funding. In addition, the opportunities to better utilise Section 106/Planning Gain will be assessed.

▪ Support the Knowledge Economy, Target Sectors and Incubation

Provide incubator units and 'grow on' space in order to facilitate the effective transfer of knowledge from academic and research institutions to businesses. Also to facilitate the delivery of appropriate accommodation to support the development of the identified economically important and emerging sectors linked to the knowledge economy. In addition, to support where appropriate, the enhancement, re-use and adaptation of existing poor quality employment sites and premises.

▪ **Develop Growth Poles**

Development of sites and premises packages in order to support identified growth poles (successful centres for expanding businesses or “hot spots” that are business centres) and their potential to act as a catalyst to economic growth including Eden, Newquay Cornwall Airport and the further development of the Combined Universities in Cornwall (CUC).

▪ **Integrate Strategic Principles**

Incorporation of the principles of sustainable development in the delivery of employment sites and premises is a core part of the aspirations for quality provision. Wherever possible, such development should be made on brownfield land and meet the highest standards set out in Future Foundations: the Sustainable Construction Charter. New or refurbished workspace should be flexible, of high quality design, energy efficient and meet appropriate BREAAAM standards. The sustainable location of workspace will relate to the settlement strategy 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 the end user and the general environment. Through the Cornwall Sustainable Energy Partnership, planners from each 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%. They will also be supported green travel planning, the construction phase will require a high standard of waste management and design will incorporate appropriate and high quality provisions for people with disabilities.

▪ **Improve Co-ordination of Delivery Arrangements for Employment Space Provision**

The roles that will 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 creator can build their business.

Contribution to Framework Goals

A. To establish Cornwall and Scilly as a knowledge economy and society	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.
B. To ensure environmental sustainability	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.
C. To remove economic and social disadvantage and improve the well being of people	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 Scilly as a place for wealth 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.

Lead partner: South West RDA

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

Other Partners include:

Cornwall Enterprise
Sector representative organisations
CABE
CPR Regeneration

Cornwall Pure Business
Construction industry
English Partnerships
District Councils

Cornwall County Council
CITB Skills
Council of the Isles of Scilly
Private sector

Rural Cornwall and Isles of Scilly Partnership
Priority Sites
Cornwall Agricultural Council
Town Councils

University of Exeter (Cornwall) and University College Falmouth (Tremough Innovation Centre)

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 in 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 awareness of the opportunity of starting a business and support ambitious and creative people to take risks, solve problems and establish high growth potential businesses.
- Increase the overall number of high added value 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 encouraging improvements in productivity.
- Attract inward investing businesses which will provide high value jobs.
- Expose businesses to global markets, increasing internationalisation.

Why this is important

It is vital in an economy with a geographically spread population, and where the distribution of employment is important, that all businesses maintain high levels of efficiency in what is a relatively small market place. Many people depend upon local jobs, but productivity (which is 24% below national) needs to be increased to ensure higher wage rates.

There is a need to increase the business start up rates and growth of particular types of business, notably those in higher value added markets. For example, whilst 10% of the national business stock has a turnover in excess of £1m, in Cornwall and the Isles of Scilly the proportion is just 5.7%. 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, it is important to maximise the role that schools play in developing enterprise skills, raising aspirations and encouraging creativity by joining up schools, other academic institutions and businesses in order to continue to develop the entrepreneurial culture and meet business skills needs.

Women in the UK are half as likely to be involved in start-up activity as men - currently only 19.48% of businesses in Cornwall are more than 50% owned by women. 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 male-owned enterprise.

Actions

The development and delivery of all publicly funded forms of business support will be managed in line with the business support simplification agenda. This aims to reduce the number of publicly funded products and services nationally from over 3000 to 100. 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 which 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, namely:

▪ **Provide Focussed Support to Growth Businesses**

Actions 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 market place. 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 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 women entrepreneurs and young people. This support will include ICT and environmental best-practice advice, marketing, management capability and the use of innovation to develop competitive advantage.

▪ **Help Businesses to Compete Globally**

Similar services to those stated above will be provided to those businesses who develop new markets outside Cornwall through exporting goods or services or which 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.

▪ **Provide Generic Assistance to all Businesses**

Assistance will be available to all new and established businesses (i.e. not limited to SME's) 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 which 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**

Build on the established mechanisms for investment in business and create new models to engage both public and private investment in 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, there is an opportunity with the extra resources that will be provided by the new EU Funding Programmes, to enhance programmes of support in line with business needs. This will include investigating innovative ways of delivering the support so it is more effective for SME's. This simplified mechanism coupled with the encouragement of more private sector engagement from high value suppliers of business support, will bring innovative solutions for SME's.

Contribution to Framework Goals

A. To establish Cornwall and Scilly as a knowledge economy and society	There will be some contribution by working with formal and informal education and businesses to encourage entrepreneurship and creativity. Focussed support to businesses with the ability to grow and the provision of technological and environmental best practice advice will contribute to this goal.
B. To ensure environmental sustainability	The provision of advice and support in appropriate ways and means for businesses will reduce travel. Environmental management, technology advice and best practice will form an

	important element of the business support.
C. To remove economic and social disadvantage and improve the well being of people	This objective aims to improve the value of all businesses and provide support to entrepreneurs. It encourages creativity and will lead to increased productivity which should lead to improved earnings.
D. To establish Cornwall and Scilly as a place for wealth creators and entrepreneurs and to improve economic value across all sectors	An important element of this is to encourage and support entrepreneurs. In addition, business support will be provided to all businesses, particularly those which have the potential to grow and add value to the economy.

Lead Partner: Business Link

Lead Partnership: Cornwall and Isles of Scilly Economic Forum

Other Partners include:

Cornwall Business Partnership
 Combined Universities in Cornwall
 South West Investment Group
 Learning and Skills Council
 Cornwall Chamber of Commerce and Industry

County and District Councils
 Cornwall Enterprise
 South West RDA
 Private Intermediaries
 Third Sector

Objective: Encourage Sector Development

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

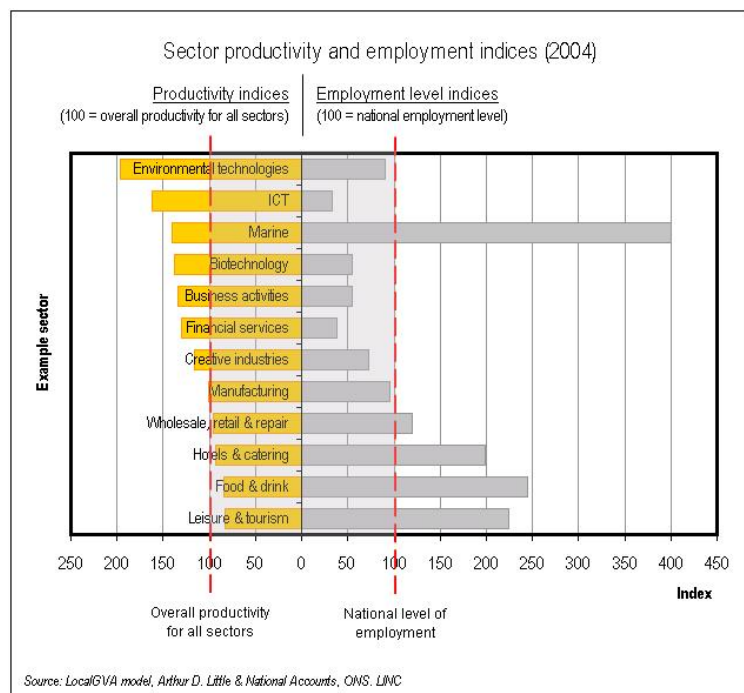
- Be more diverse and robust and rely less on sectors with low levels of productivity.
- Have a greater contribution from sectors with high productivity and local specialism.
- Have one or more sectors recognised as being of international importance, including environmental technologies.

Why this is important

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 utilise knowledge. In addition to this activity, there is a need to provide supplementary support to fast track sectors with the potential to have a high impact on the local economy. This objective seeks to address this element of development of the economy for Cornwall and the Isles of Scilly.

Cornwall and the Isles of Scilly has a limited home market. Furthermore, 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 coordinate efforts between same sector businesses in accessing external markets and improving productivity.

There are a number of strong sectors to be built upon and also local opportunities to be utilised, For example, environmental technologies, marine (including leisure, science and technologies) and advanced engineering (including aerospace) should receive intensive support as they are very productive and growth in these areas could help to address problems of low productivity and wages. 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, especially in the area of skills development to modernise and become more competitive.

Poor productivity in Cornwall is partly 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 (right) shows, of the five sectors that have employment levels above the national level only one (marine) has an above average productivity level.

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 average, respectively (as shown in the graph) above.

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

Actions

▪ Determine the Unique Selling Points (USP's) and Potential of Each of the Important Sectors

This action will build on and adapt the best practice developed by recent sector support activity, 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 and others).

▪ 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

- Implement a fully cohesive approach to sector support which 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.
- Increase of knowledge exchanges between business sectors in Cornwall and the Isles of Scilly via a cross-sector approach.
- The development and maintenance of links with regional/national sector networks to ensure alignment and adoption of best practice.

▪ 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 Protected Origin Schemes (e.g. Rodda's Cream).
- Develop and offer sector-specific skills training, including training on the application of new product 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 on line. This action links with the Information Society for All Objective.
- Exploit the sector specific knowledge transfer expertise of relevant local, regional, national, and international HE institutions to the full commercial advantage of the sectors in Cornwall 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 to supplement indigenous stock. Build on, and stimulate sector 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 to develop and market products. There will be a link to the Business Support and Innovation and R&D Objective.

▪ **Support and Develop Sector 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 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 “Quality Cornwall”, a Sophisticated New Approach to Quality and the Use of ICT in the Visitor Economy**

With the visitor economy contributing significantly to the 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 the industry in both visitor information, marketing and booking systems
- A major coordinated 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’ coordinated through the Cornwall Destination Management Organisation

Contribution to Framework Goals

A. To establish Cornwall and Scilly as a knowledge economy and society	Encouragement of high-value sectors to share knowledge, develop best practice and form clusters is important to the knowledge economy. Developing sector USP's through this new approach, through skills development, innovation and broader utilisation of ICT will add value to the economy.
B. To ensure environmental sustainability	The high-value environmental technology sector will be encouraged, supported and developed as far as possible. In addition information share is encouraged in relation to environmental best practice and management.
C. To remove economic and social disadvantage and improve the well being of people	Supporting both high-value sectors and those with local importance such as marine and the visitor economy will add value to business and assist towards bridging the divide.
D. To establish Cornwall and 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.

Lead Partner: Cornwall Enterprise

Lead Partnership: Sectors Forum

Other Partners include:

Workforce Development Group
 Cornwall Chamber of Commerce and Industry
 Learning and Skills Council
 Private sector institutions, firms,

South West Investment Group
 South West RDA
 Finance Cornwall
 Business Link

Intermediaries and training organisations
 Cornwall Engineering Group
 Cornwall Marine Network
 Cornwall Destination Management Organisation
 Cornwall Manufacturers' Forum
 Cornwall Sustainable Building Trust
 Cornwall Fisheries Resource Centre/
 Seafood Cornwall
 Digital Peninsula Network
 (incorporating Wired Cornwall)
 University College, Falmouth
 Digital Peninsular Network (DPN)

Creative Skills
 Cornwall Aerospace Defence Initiative
 Cornwall Taste of the West
 County and District Councils
 Cornwall Agricultural Council
 CoaST
 Combined Universities in Cornwall
 South West Tourism
 Manufacturing Advisory Service
 Cornwall Aerospace Defence Initiative
 Environment Kernow
 Cornwall Pure Business

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

Every single man, woman and child will benefit, through enhanced learning and interaction and the improved work-life balance enabled by flexible working and the opportunities afforded by a knowledge economy. Others will benefit through 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 growth rate of broadband amongst businesses for a rural area. As technology and markets move on, it is vital that emerging opportunities continue to be exploited, so the county does not lag behind. Recent improvements in broadband technology mean that those in towns, cities and close to their telephone exchange can now enjoy internet speeds significantly faster than those in rural areas, creating a new digital divide as innovative applications exploit 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 work 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 exchange, perpetuating an urban / rural digital divide. 51% of Cornwall's lines will be over 2km long, and are unlikely to get the full benefits of these technologies. Investment must be made to ensure Cornwall & the Isles of Scilly lead the way for connectivity in a rural economy.

Actions

- **Provide the Infrastructure for 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 a rural economy

- 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 Cornwall Airport) and/or an entire town or city, along with a rural location (for example West Penwith).
- Technologies for delivering these services are varied, and all avenues will need exploring to evaluate the longevity of any investments made, allowing 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 availability

- **Ensure That Every Business Gets Online**

This will be undertaken through an integrated approach to reach 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 reduces the need to travel therefore advantageous in terms of productivity increases and environmental benefits
- Supporting the development and application of new business models and networking processes to support commercial & 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 basic level available to every business is likely to include:

- Hotline ICT advice and support phone line
- Drop in centre, for 1:1 advice, demonstrating full range of basic and cutting edge applications, and sample 'home office'
- Specialist support and advice by themes identified to deliver the greatest business benefits, such as flexible working, eBusiness, networking and eProcurement
- 'Rolls Royce' service for businesses able to demonstrate significant growth potential through the exploitation of ICT

- **Ensure That Every Household Gets Online**

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

- Taking ICT into the most challenging and deprived areas, e.g. working in partnership with the UK charity Everybody Online. Disability issues will also need to be considered.
- A computer recycling initiative to reuse personal computers (PCs) to sections of the community where really needed – to school children without a home PC, to the workless and the elderly.
- Local information networks –content delivered through a variety of devices (the PC will never be the device of choice for everyone) will open the channels for delivering other citizen benefits like eGovernment initiatives, telecare and education.
- 'Not for profit' Internet Service Provider (ISP) initiative allowing connection subsidy for deprived households.

- **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 include:

- eCommunity partnerships to overcome mobility problems, address core employability skills and tackle worklessness
- Development of eLearning material 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 linking these activities.
- Use of ICT to remove barriers and create parity of access for learners.

▪ **Connect Communities**

This will be undertaken by developing community workspace which has wired community based space for flexible workers and home-based businesses. School buildings have the potential to provide an enormous opportunity for utilising facilities outside of school hours. This is also 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**

Prove Cornwall and the Isles of Scilly is serious about ICT by developing Beacon projects that 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, this should include an e-rural agenda
- Telecare, enabling people to have more care in the community
- eGovernment, delivering government and local services in an efficient and accessible way
- eMarketplace, opportunities to businesses through engagement and collaboration
- eTown, a true beacon and magnet for innovators in a knowledge society
- eVisitor, a new sophisticated information and purchasing system for visitors
- Promotion of Cornwall and the Isles of Scilly as a leader in ICT through the image and brand programme

Contribution to Framework Goals

A. To establish Cornwall and 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 share along with significant marketing and export potential.
B. To ensure environmental sustainability	The use of ICT can be maximised for significant environmental benefits, the development of new and clean technologies along with the encouragement of video and teleconferencing is particularly important.
C. To remove economic and social disadvantage and improve the well being of people	This objective aims to provide access to ICT in both businesses and communities. An important element is the skills for use of the ICT. This can provide an invaluable access to services and information and can improve well being, as well as the increased economic advantages that ICT can bring.
D. To establish Cornwall and 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 by themes identified to deliver the greatest business benefits, such as flexible working, eBusiness, networking and eProcurement. 'Rolls Royce' service for businesses able to demonstrate significant growth potential through the exploitation of ICT.

Lead Partner: Cornwall Enterprise through actnow

Lead Partnership: ICT Task force

Other Partners include:

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

Chapter 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 attracting new talent into the region. It is committed to achieving exemplar status in its assistance to those who are not in work and the knowledge in its Higher Education sector to unlock the potential of people in Cornwall and the Isles of Scilly.

Objective: Achieve Economic Inclusion and Reduce Worklessness

To achieve sustainable prosperity with opportunity for all in Cornwall and the Isles of Scilly by reducing unemployment and worklessness, and addressing spatial and thematic inequalities in employment rates by removing barriers to economic inclusion. Greater economic inclusion, in turn, will generate a more productive economy measured in GVA per head of population and greater well being for the people of Cornwall.

Why this is important

The priority of addressing unemployment has lowered and 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.

Current demand for labour outweighs the number of job ready individuals. This leads to recruitment difficulties and skills shortages. Yet evidence suggests that there are significant numbers of workless people who want to work and could be enabled to do so with appropriate interventions to address economic exclusion.

The Government describes exclusion as “a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, unfair discrimination, poor housing, high crime, bad health and family breakdown.” In order to achieve economic inclusion in Cornwall these linked issues need to be addressed.

The Local Area Agreement for Cornwall sets out proposals to tackle worklessness through the ‘Cornwall Works’ strategy. This will focus support on people receiving health-related benefits and will involve a Working Age People Strategy for Cornwall that will build on and develop the people priorities and actions identified in Strategy and Action.

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 on a health benefit for six months there is a 50% chance of being on that benefit four years later and 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 people will retire or die than return to work. This highlights the need for a dual approach of early intervention to prevent long-term worklessness along with pathways to employment for people whose worklessness is more entrenched.

Actions

The “Cornwall Works” people strategy, developed across all relevant sectors, organisations and groups will set out the key activities, interventions and delivery mechanisms to achieve a sustainable reduction in unemployment and worklessness. Programmes that tackle prevention of unemployment and pathways to employment approaches that both link and build on current activities and interventions will be implemented. Robust partnerships will be maintained and enhanced between the health and employment sectors and active engagement of businesses will be achieved in supporting the welfare to workforce agenda.

- **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 activity and develop coherent pathways to employment; as well as multi agency training to ensure appropriate interventions
 - The provision and encouragement for volunteering activity and pre-employment programmes to maintain skills and motivation 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

- **Deliver Interventions Focussing on Longer-term Worklessness**
 - Development of models of engagement and support through the Third Sector and creative 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 could be a route out of long-term worklessness.
 - 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 1-2-1 support to identify and overcome their barriers to progression
 - Significant capacity building to enable the Third sector and Creative sector to develop models of support , working with communities, contributing effectively to the delivery of multi-agency approaches to increasing economic inclusion
 - 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 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 workforce 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)
 - Provide opportunities for retired local people to contribute to the knowledge economy by utilising their knowledge and experience.

Contribution to Framework Goals

A. To establish Cornwall and Scilly as a knowledge economy and society	The provision of demand led training and recruitment activity and post employment support to support the development of the knowledge economy.
B. To ensure environmental sustainability	Using environmental activity as tool for engaging those who are inactive, for example into 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.
C. To remove economic and social disadvantage and improve the well being of people	This is the main focus of this Objective. This will ensure those who are both economically and socially disadvantaged are given the help and support they require.

D. To establish Cornwall and Scilly as a place for wealth creators and entrepreneurs and to improve economic value across all sectors	This will increase the pool of skilled, flexible and work-ready labour force across all levels and sectors.
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Lead Partner: Job Centre Plus

Lead Partnership: Inclusion Cornwall

Other partners include:

Inclusion Cornwall Employer Forums

Voluntary Sector Forum

Cornwall Infrastructure Partnership

Learning Partnership

Local Strategic partnerships

Learning and Skills Council

Government Office South West

Sector Skills Councils/Forums

Police and Probation Service

Third Sector

Cornwall Sports Partnership

Combined Universities in Cornwall

South West RDA

Employers

Business Link

District Councils

Cornwall County Council

CPR Regeneration

Health Service/Primary Care Trust

Training providers

Creative Unit and sector partners

Arts for Health

Cornwall Centre for Volunteers

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 make Cornwall and the Isles of Scilly an attractive area for young people to live and work.

Why this is important

If Cornwall and the Isles of Scilly is to build a successful knowledge economy, the young people must have the right skills, qualifications and motivation.

Although the percentage of students achieving 5 A*-C GCES has risen in Cornwall over recent years the rate of growth has been less than in England and have now fallen behind.

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

In addition to improving exam performance, young people need to develop enterprise skills and aspirations and meet business skills including literacy and numeracy. This must be achieved through the co-operation and collaboration of all education and industry partners.

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.

Actions

▪ Raise the Aspirations of Young People

- Develop a relevant, coherent and consistent individual learning plan for young people, supported by tutorial advice and guidance along with one to one mentoring with adult role models, to inform progression at all stages
- Help learners progress into employment, training and further or Higher Education by delivering information, advice and guidance (IAG) to all learners, delivered through the Integrated Youth Support Services Programme
- Enhance the relevant curriculum offer opportunities to young people to maximise their potential contribution to the economy for example by offering motivational summer camps

- **Implement an Entitlement to Learning for All Young People**
 - Maintaining and developing the collaboration of all providers in the 14-19 Collegiate for Cornwall and the Isles of Scilly. Working together to establish a dynamic action plan and operational protocols to facilitate resourcing for the new national frameworks. Steadily growing provision to increase the choice of, and improve access arrangements (particularly in North and South East Cornwall) to education and training
 - Enabling the provision and enhancement of the physical learning, ICT and transport infrastructure entitlement to be delivered
- **Developing Entrepreneurship and Enterprise, Raising Skills and Develop Retention and Placement Programmes.**

There is a need to continue the development of the HE and FE, develop entrepreneurship and enterprise in young people through the educational process, raising vocational qualification levels in addition to key skills and develop retention and placement programmes for graduates
Further development of CUC partnership is important, along with broadening the learning offer, targeted at business needs by the CUC and other providers. This action includes increased provision and access to education and skills for research, particularly across North and South East Cornwall. This is also a fundamental element of the Stimulate Innovation and R&D objective.

- **Address Barriers to Access and Achievement, Supporting Young People Who Have Difficulties in Engaging With, and Progressing in, Learning and Work**
 - 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 of other vulnerable groups
 - Devise programmes of activity which build self expression, confidence, motivation, collaboration and creativity for young people who are disengaged with learning
 - Develop core transferable skills which can subsequently be used in a range of jobs, such as customer service, health and safety and food hygiene.
 - Identify and facilitate inspirational informal learning opportunities for young people out of school
- **Address the Skills Needs for Businesses by Offering Broader and More Challenging Curriculum Options for All Young People**
 - Develop initiatives to support the provision of learning and activities in respect of enterprise, entrepreneurial behaviours and skills, innovation and creativity in business/employability
 - Establish a professional development strategy to encompass vocational upskilling of teachers, trainers and support staff to deliver new curricula
 - Engage employers and business sector organisations in shaping the curriculum and providing work experience and placements
 - Enable the sharing of best practice and innovation in relation to teaching and learning

Contribution to Framework Goals

A. To establish Cornwall and 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 skill development to contribute significantly towards a knowledge economy and society.
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 a many of today's young people will form tomorrow's workforce in the environmental sector.
C. To remove economic and social disadvantage and improve the well being of people	Developing creativity and skills in all young people, including the vulnerable groups, develops a mind set and provides support towards high-value employment. Supported by the provision of integrated support services and enhanced IAG.
D. To establish Cornwall and 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 by targeting those in the NEET category and assisting them into training and/or

	employment provides additional recruitment opportunities for all businesses.
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Lead Partner: Learning and Skills Council/Local Authority

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

Other Partners include

- | | |
|--------------------------------------------------|--------------------------------|
| Cornwall County and District Councils | Council of the Isles of Scilly |
| Schools, including independent schools | Colleges |
| Children’s Services Authority | Work Based Learning Providers |
| Creative Partnerships and organisations | Regional Skills Partnership |
| Connexions Cornwall and Devon | Third Sector |
| Kernow Education Arts Partnership | |
| Tate St Ives, Kneehigh and other sector partners | |

Objective: Support for 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

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 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 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, so that access is not limited. The Cornwall Learning Network (CLN) is establishing itself as a major resource for online interactive learning, and would form a perfect 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 and continuing the excellent partnership working and taking steps towards the future development of a University of Cornwall.

Actions

- **Tailor the Courses Provided by HE Institutions to the Needs of a Knowledge Economy**
 - Develop bite-size HE Programmes for the workforce
 - Development of 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 new or existing buildings
 - Plan, design, promote and recruit to new programmes
 - Increase the number of programmes available through Cornwall Learning Network as a means of supporting and delivering 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 school 6th formers to do 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**
 - The provision of 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 like Aimhigher (a programme to get more people into HE from disadvantaged areas/those who would not normally engage)
 - Develop and promote pathways from Levels 3/4 programmes 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 provide 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 to increase the take up of HE skills by those in employment
 - **Develop and promote pathways through HE into workforce**
 - Develop post-graduate placements and employment pathways alongside learning pathways
 - Promote 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
 - Enhancing business/academic links

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

- **Maintain Combined Universities in Cornwall Partnership**
 - Undertake additional research on progression rates onto CUC programmes from Level 3 qualifications and undertake a demand study of higher education in Cornwall, particularly in areas where access is more difficult.
 - Develop Phase 3 of CUC and its implementation.
 - Work towards the creation of a University of Cornwall.
 - Create Research and Development capacity, linking with the Stimulate Innovation and R&D Objective

Contribution to Framework Goals

A. To establish Cornwall and Scilly as a knowledge economy and society	A skilled and available workforce is intrinsically linked to a knowledge economy and society. The further development of the CUC along with its research capacity and links to businesses is method to achieve 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 and improve the well being of people	Increasing the skills of people and the provision of access to learning improves the social and well-being factors by raising aspirations and offering the potential for increased earnings.
D. To establish Cornwall and Scilly as a place for wealth creators and entrepreneurs and to improve economic value across all sectors	The opportunities for research and innovation increase potential for entrepreneurship as well as providing for the research needs for all businesses.

Lead Partner: Combined Universities in Cornwall

Lead Partnership: The Learning Partnership

Other Partners include

Higher Education Funding Council for England
Cornwall County and District Councils
Government Office South West
Truro College
Business Link
Cornwall Learning Network partners
Peninsula Medical School
Plymouth University
Royal Cornwall Hospital Trust and Cornwall PCT
Regional Skills Partnership

Nextstep
Marjon
South West RDA
Cornwall Enterprise
Penwith College
Open University
Exeter University
Cornwall College
University College Falmouth
St Austell College

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 to both development of the local workforce and to attracting new talent into the area.

Why this is important

The Leitch Review of Skills in the UK concludes that the country must raise its ambitions regarding skills if the UK is to have any chance of effectively competing globally. That message becomes even more urgent when addressing skill needs. 70% of the workforce that Cornwall and the Isles of Scilly will have in 2020 is already within the current workforce and it is their skills which require immediate attention by providing good access to quality Information and Advice. 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 hard to fill vacancies in Cornwall is the low number of applicants with 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 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 other competitors.

The issues identified with regard to hard to fill vacancies highlights the challenge of addressing the issue; with a lack of skills and experience being the main factors. At the same time, the effects on business of skills gaps is considerable with operating costs, quality standards and delays in introducing new work practices impacting directly on value added and profitability. This makes addressing skills and recruitment issues one of the most important challenges for key stakeholders.

Actions

- **Increase the Number of Adults Qualified to at Least 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
 - Develop 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**

- To boost the demand for learning and skills by demonstrating their benefits to both employers and employees and to produce 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

▪ **Further Develop Sector and Local Workforce Skills Programmes**

Delivery here should work closely with actions included in the Sector Development Objective.

- To overcome the barriers to training, especially those facing SME's, by enhancing the contribution of Sector Organisations and other support agencies to achieve a cohesive approach spreading examples of good practice
- Support and use employer and employee organisations, including Sector Organisations to demonstrate the mutual benefits of learning and skills; work with Sector Skills Councils on the local implementation of Sector Skills Agreements and the business brokerage system
- Develop vocational training centres of excellence in partnership 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 opportunity 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. This will have the potential for mixed-use purposes including flexible workspace, use for the voluntary and community sector as well as internet access and opportunities for learning and skills. This action is also dealt with in the communities section.

Contribution to Framework Goals

A. To establish Cornwall and Scilly as a knowledge economy and society	The provision of infrastructure, high-level skills and work-based learning will increase knowledge application within key added value sectors. Also raising skill levels for all the workforce will enable all to benefit from the wider range of job opportunities likely to develop.
B. To ensure environmental sustainability	Flexible learning methods offer reduced travel requirements. Also more businesses investment in environmental awareness and training will be encouraged.
C. To remove economic and social disadvantage and improve the well being of people	An independent IAG service is vital if adults are to be encouraged into learning and progress into work and higher qualifications and fill skills shortages.
D. To establish Cornwall and Scilly as a place for wealth creators and entrepreneurs and to improve economic value across all sectors	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. It will also retain indigenous businesses with the desire to grow with the knowledge that there is a local skilled workforce.

Lead Partner: Learning and Skills Council/Job Centre Plus

Lead Partnership: The Learning Partnership for Cornwall and the Isles of Scilly

Other partners include

South West RDA
 Cornwall Chamber of Commerce and Industry
 Voluntary and Community Organisations.
 All training providers
 Cornwall Chambers of Commerce and Industry
 Various employer organisations
 University College Falmouth
 FE/Colleges
 Enterprise Agencies

Federation of Small Business
 Unionlearn
 Business Link
 nextstep
 TUC Union learn
 Creative Unit
 Regional Skills Partnership
 County and District Councils
 Centres of Vocational Excellence (CoVEs)

Chapter 3 – Enhance Place and Connectivity

Cornwall and the Isles of Scilly is a special place with a strong and loyal community and distinctive heritage, a rich physical environment and well developed cultural and creative base qualities, which need to be maintained whilst the economy is developed with the means to add value across other sectors. This distinctiveness and brand, which provides an important element of quality of life in the area, will also be used to attract investment, knowledge, and visitors and export markets.

Cornwall and the Isles of Scilly will also be a place with high quality internal and strategic transport systems, social infrastructure, a wide range of appropriate employment space and the quality of its utilities and thriving rural and urban communities. It is committed to achieving exemplar status for its energy policy and its commitment to the environment.

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 mechanism for this to be achieved in the most cost effective manner.

Why this is important

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 local energy generation could make to the economy. Recent increases in energy prices, which on average have risen by more than 40%, have significantly increased costs and reduced competitiveness of local businesses.

High energy costs also impact significantly on disposable household income and economic wellbeing. 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 impacts 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 effective in reducing CO₂ emissions.

Climate change and oil depletion present a serious economic challenge. On 30th October 2006 the Prime Minister and the Chancellor of the Exchequer released the findings of the review by Sir Nicholas Stern on the 'Economics of Climate Change'. The Stern review demonstrates 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 worse case scenarios potentially draining 20% or more from global GDP. In contrast, however, the report concludes that, with immediate action, the costs of action 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 of climate change mitigation. Already the leading county in the South West for installed renewable energy capacity, and with a world renowned heritage for engineering and innovation, Cornwall has the ability to develop further innovative and sustainable solutions to the generation and use of energy. These solutions can present real market opportunities through the growth and transfer of knowledge, experience and products worldwide, whilst also ensuring the competitiveness of our business operations and the minimisation of carbon emissions.

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 counter balance 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.

- **Prioritise Sustainable Energy in Planning and Development**

Through the Cornwall Sustainable Energy Partnership, planners from each 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%. 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 impacts 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 as well as 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 employs 1,140 FTEs (full time equivalent jobs) and contributed approximately £34 million to the regional economy (2004 – 2005). The energy efficiency sector is estimated to employ nearly 400 FTE and generates 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 to 17,000 FTE 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 present 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 industries currently reliant on fossil fuels), as well as a more sustainable local source of energy for heat. The development of Cornwall as a leading example in 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 Distribution of Energy

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. For instance encouragement will be provided to 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.

Contribution to Framework Goals

A. To establish Cornwall and Scilly as a knowledge economy and society	Developing a sustainable energy industry requires innovation, creativity, skills and knowledge share which form the principles 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 and improve the well being of people	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 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 value to all sectors.

Lead Partner: Cornwall Sustainable Energy Partnership (CSEP)

Lead Partnership: Cornwall Sustainable Energy Partnership (CSEP)

Other Partners include

72 organisations are signatories to the Energy Strategy for Cornwall and each partner will play a role in helping to deliver the actions and targets described above.

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

Objective: Provide and Improve Transport Infrastructure

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

Why this is important

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 contributes towards inter-trading and increased internal consumption within Cornwall. This also assists 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 economy in Cornwall, through the minimisation of loss of working time and developing a better work/life balance.

Connectivity between Cornwall's main towns 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 distances and inaccessibility between workplaces and where people live.

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, journey times and air quality hotspots, which in turn inhibits 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 modes used and the number of journeys made will significantly affect the contribution to climate change. An integrated approach to planning will be taken, with the use of technology encouraged along with development in appropriate locations which 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 transport infrastructure both internally in Cornwall and its strategic links with the rest of the UK and internationally 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 LTP's prepared for the periods covering 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 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 200-2016. 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, economic and environmental assessments to determine their viability as part of assembling each scheme business case.

Collectively, the LTP core programme and the schemes identified under the priorities for action will help to bring the transport network up to a minimum standard required to effectively serve Cornwall's growing population and developing economy.

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, together with 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.
- Travel planning for schools and major employers.
- Use car parking charges and length of stay to manage demand and encourage modal shift in peak periods.
- Improve rural accessibility and reducing social and economic divides
- Improve town traffic management, reduce congestion and open out employment space
- 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 Newquay airport to transfer the airport from military to civilian control, cope with rising demand and make the airport 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. It is also 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 to maintain and develop the strategic rail system and improve inter-modal freight rail facilities to offer an alternative sustainable mode of travel
- Develop role of ports as strategic connection points to outside Cornwall and link 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 in 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 is 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 marine businesses.
- Improvements are needed to the strategic road system to allow quicker and more reliable journey times and safer journeys for residents, business and visitors, in terms of goods and people. There will be improvements to the strategic road network by dualling the A30 from Temple to Higher Carblake and Carland Cross to Chiverton.
- Undertake 'Connecting Cornwall' feasibility and development work

▪ **Support Spatial Investment Priorities**

This action is to facilitate 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, 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 has close links with the spatial priorities identified within the Regional Spatial Strategy.

In addition to those schemes which are prioritised, it is recognised that improvements to the M4/M5 interchange, the A30 and the A303 (including 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 the 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 connectivity between rural areas.

Contribution to Framework Goals

<p>A. To establish Cornwall and Scilly as a knowledge economy and society</p>	<p>Strategic connectivity between Cornwall's main towns and externally to the rest of the UK and Europe is vital. Transport connectivity externally to markets and knowledge networks is regarded as a key under-pinning asset in successful city regions. It is just as important in a rural context and even more important in peripheral locations.</p>
<p>B. To ensure environmental sustainability</p>	<p>Transport infrastructure developments have impacts on Cornwall's carbon footprint. Important pieces of research work are 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, along with the encouragement and facilitation of other sustainable, modes of transport will positively contribute.</p>
<p>C. To remove economic and social disadvantage and improve the well being of people</p>	<p>Improvements to connectivity in and between towns will allow easier access to key services, employment and leisure which provides 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.</p>
<p>D. To establish Cornwall and Scilly as a place for wealth creators and entrepreneurs and to improve economic value across all sectors</p>	<p>Improvement to infrastructure removes the perception of peripherality from global markets. Improvements to rail and ports also increase the options of freight transportation. Investment in other infrastructure and public transport will improve travel for employment, business and recreational purposes.</p>

Lead Partner: Cornwall County Council

Lead Partnership: Transport Taskforce

Other Partners may include:

- | | |
|----------------------------|----------------------------------------|
| District Councils | Network Rail |
| Private Sector | Highways Agency |
| Economic Forum | Government Office South West |
| Public Transport Operators | South West Regional Development Agency |
| Facility Operators | Rural Transport Partnership |
| Government Agencies | |

Objective: Build on a Distinctive Cornwall

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

Culture in the broadest sense is a way of life - shared values, customs and models of social organization. Cornwall and the Isles of Scilly are defined by a highly developed network, a strong sense of identity and pride of place, and active communities. This provides a model well placed to take advantage of new technologies and knowledge and, arguably, to best tackle the environmental challenges of climate change and peak oil.

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 recognized through the World Heritage Site inscription. It has an artistic

legacy which is internationally significant, a wealth of community museums, archives and collections of national importance.

A thriving contemporary creative culture has been built on this legacy with some artistic product, 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 recognized 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 a particularly 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 got 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 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 which 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.

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, performing, applied and visual arts, film making, writing and sport industries with the potential to contribute significantly to the Knowledge Economy and well being
 - Maximise the potential of cultural assets and creative organisations on a national and international platform by developing the 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 Leisure Industry**

- Maximise the potential of sports which 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.
- To improve access at a local level to sport and active recreation in rural towns and villages as part of improving health, supporting local distinctiveness and community cohesion.
- Maximise the potential of the London Olympics in 2012 to deliver a significant sporting, business and cultural legacy.
- **Develop and Promote Cornwall and the Isles of Scilly 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 which are specialities of Cornwall and the Isles of Scilly, for example through accreditation of agricultural produce. There will be priority given 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 maintaining 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 which 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 for 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
 - assistance and advice to local businesses seeking new markets on using the strength of the Cornwall Brand to win new business
 - Reinforcing and enhancing 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 and pride, and work to ensure that these assets are recognised and respected locally and globally
 - Enhance and maintain the strong community loyalty to aid cooperation and partnership

Contribution to Framework Goals

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

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

Other partners include

Cornwall Cultural Marketing	Third Sector organisations
Cultural sector organisations	Creative Skills
Cornwall Agricultural Council	Environment Kernow
Creative Partnerships	CoaST
South West Tourism	SW Coast Path Steering Group
County and District Council	Cornwall Biodiversity Initiative
Cornwall AONB 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 distinctive (from other areas) plan to be implemented for the future.

Why this is important

Investment in the towns, villages and rural areas along with support for the 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 compliments actions to be delivered by the Building on Distinctiveness Objective.

Investment in the people that make up the communities of Cornwall and the Isles of Scilly and creating a sense of place and belonging is as important as investing in the physical infrastructure. Therefore actions which make communities desirable places to work and live should 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 creating 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 local environmental project development.

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 and allow 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 both 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 effect that Plymouth has (both positive and negative) on some of the towns, such as Liskeard and Saltash in East Cornwall. In addition, Hayle is a town associated with previous industrial decline and has clear opportunities associated with 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 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 inflated if suitable workforce cannot afford local housing. Despite the implications housing has on economic development, the housing challenge must be tackled primarily by specific spatial and housing strategies, rather than through economic development strategies.

Actions

- **Develop a Network of Multi-Purpose Community Facilities which Provide Economic Development Opportunities**

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 health care and Post Office services. These should be located in multi purpose community facilities in either existing village halls or community centres or through new build. This is seen as a particularly important action linked to priorities within the Innovation and R&D, Information Society for all, Learning and Skills and Employment Space Objectives as well as an important community facility.

- **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), parish plans, or other community involvement, areas should establish a simple, bottom-up vision and plans which 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. There will be value in ensuring that the key role of community life and sense of place in making Cornwall distinctive and make it an underpinning principle which informs all sustainable development initiatives, for example through the Region of Culture programme. The Objective to "Build on a Distinctive Cornwall" 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**

The delivery of physical town and village regeneration schemes which make improvements to transport and pedestrian flows, protect and 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 and this will follow 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**

Retention and enhancement of 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 through using ICT and also 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 and Learning and Skills Objectives.

▪ **Focus Resources to Tackle Deprived Areas**

Some specific deprived communities need the provision of dedicated multifunctional social and economic development resource to tackle worklessness, social exclusion, health, and socio-economic issues and assistance with job search and capacity building. In particular, areas in greatest need will require investment in residents to compliment 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 along with careful consideration regarding the impacts on neighbouring areas, for example port activity in Fowey.

▪ **Protect and Enhance Ports and Harbours**

Through the protection and enhancement of ports harbours and public access to the sea will provide opportunities for the development of the local Marine sector and visitor economy. Actions will seek to avoid short term exploitation of this resource for non marine related activity.

Contribution to Framework Goals

A. To establish Cornwall and Scilly as a knowledge economy and society	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.
B. To ensure environmental sustainability	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.
C. To remove economic and social disadvantage and improve the well being of people	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 the including the provision of multi-purpose facilities which could be utilised for health and sport purposes.
D. To establish Cornwall and Scilly as a place for wealth creators and entrepreneurs and to improve economic value across all sectors	Support to rural industries, investment in employment space and engaging the local community in development activities will raise aspirations and provide for entrepreneurial activities.

Lead Partners: Local Authorities

Lead Partnerships: Town Fora and Rural Cornwall and Isles of Scilly Partnership

Other Partners Include:

Town Centre Partnership (TCP)
 District Councils
 Cornwall County Council
 South West RDA
 Countryside Agency

Town and Parish Councils
 Cultural Sector Partners
 Cornwall Sports Partnership
 Creative Unit
 Cornwall Enterprise

MCTI's
Private Sector
Camborne Pool Redruth Urban Regeneration Company

Local businesses
Voluntary and Community Sector
Cornwall Agricultural Council

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

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 Scilly owned by the Duchy of Cornwall.

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.

Actions

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

▪ Enhance the Environment

A range of high-quality visitor amenities and facilities that are linked to the Islands' heritage and the environment will be encouraged, along with improved environment signposting and the development of links with environmental learning organisations. There is 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**

The fragile fishing industry needs support especially with added-value and marketing initiatives. Support is also required for associated marine industries including boat building and repair, boating, sailing, diving, especially with training and marketing initiatives. The development of “off-shore” activities, including the potential for energy and aquaculture projects that are sensitive to the environment, will also be explored.

- **Deliver Micro-diversification**

There is a requirement to support the development of the arts and crafts sector as well as creating 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. Physical infrastructure requires improving to meet 21st Century demands, including water supply, sewerage, roads and energy, with a particular need for an innovative approach to tackling the Island’s waste. A multi-purpose facility is also required to provide, for example, a range of sporting and recreational activities, employment space, provision for voluntary and community groups and the opportunity for activities such as visiting business support advisors. Working in partnership with the South West RDA, the Porthcressa regeneration plan will be completed.

- **Develop skills and learning**

A training and skills needs analysis specifically for the Isles of Scilly will be undertaken as the population are often over qualified but with the ‘wrong’ qualification. The aim of this analysis will be to try and 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 up-skilling 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 agencies 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.

Contribution to Framework Goals

A. To establish Cornwall and Scilly as a knowledge economy and society	The development of a knowledge economy on Scilly offers a great opportunity where exploitation of knowledge and creativity can neatly side-step issues of peripherality. Developing skills in the workforce, along with exploitation of knowledge, will add value in locally important industries such as tourism.
B. To ensure environmental sustainability	Important actions are identified to enhance the environment and deliver the sustainable energy strategy for the Isles of Scilly. Opportunities may exist for the Islands to contribute through environmental technology developments, whilst Business Support and skills development must ensure that environmental awareness and best practice is delivered.
C. To remove economic and social disadvantage and improve the well being of people	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 Scilly as a place for wealth creators and entrepreneurs and to improve economic value across all sectors	Support to locally important sectors such as tourism, agriculture and fishing, along with micro-diversification will add economic value along with the development of skills for the local workforce.

Lead Partner: Council of the Isles of Scilly

Lead Partnership: The Isles of Scilly Local Strategic Partnership

Other Partners include

Isles of Scilly Steamship Company

British International

Island Tourism

The Duchy of Cornwall

Tresco Estate

South West RDA

Actnow

Rural Cornwall and Isles of Scilly Partnership

Cornwall County Council

Mainland Marketing

Penwith District Council

9. Spatial Implications

In order to ensure that the successful delivery of Strategy and Action will achieve a 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:

- **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 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 most well developed, largely a result of the establishment of the area's dedicated Urban Regeneration Company (CPR Regeneration), set up in November 2002 in the depressed former mining heartland of Camborne, Pool and Redruth (partly as a result of identification in Regional Planning Guidance for the SW - 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 master plan for the whole area, and develops a series of linked projects to address the fundamental structural weaknesses of the area, and to 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) 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, 2006) projects that manufacturing (across the board) is inevitably going to decline. This brings 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. Those key towns which 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 Strategically Significant Town/City (Draft RSS 2006) and as the major employment centre for Cornwall has had to tackle emerging congestion challenges, and to develop a co-ordinated response to future development pressures. Carrick District Council has been involved in both the Way Ahead Initiative (South West's response to the Sustainable Communities agenda) and as 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** – There must be the provision of sufficient numbers and quality of houses, 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 is to underpin housing growth. Work must be reflected in Local Development Framework Action Plans which link key projects within an overall planned approach, with an integrated transport package. There is some good practice now available about 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:

a) Development in areas of opportunity

These are areas where there is a potential for significant returns on investment by both private and 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 existence of 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 deliver 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 those with the potential to contribute significantly to the economy. These are: -

Penzance	Truro	Falmouth-Penryn (2)
Hayle	Newquay	Bodmin
St Ives	St Austell	Saltash
Camborne, Pool and Redruth (2)	Wadebridge	Torpoint
Helston	Bude-Stratton	
Launceston	Liskeard	

b) Development in deprived areas

This would include areas, towns, settlements and wards that need intervention because of high deprivation or loss of major employers, for example Camborne, Pool and Redruth, the China Clay area and Penzance. This will include 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. This will be done on a planned and phased basis, taking account of future demand.

c) Development of a networked rural knowledge economy

Outside the larger towns, the network of the 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 about the nature of future employment growth and scale. These settlements

are often busy, bustling centres of activity that could be the host to 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 support, including access to Higher Education, ICT and business support, is provided throughout the area, so that businesses and individuals in locations such as Brays Shop, Looe, Talskiddy or St Just, for example, can access assistance and develop innovative solutions which allow the demonstration of considerable potential for economic development.

10. Monitoring Framework

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

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. These 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 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 the 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 annually updated 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, or sooner, if evidence demonstrates fundamental changes in 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 in particular is important.

Several of the Objectives highlight further research to be carried out. This needs to be done in a co-ordinated fashion and 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 which 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 an opportunity to do something that adds value to this. 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 simply make the connection about successful delivery of the actions identified.

Strategy and Action is not directly a delivery vehicle for activities to bring this about. The Monitoring process should dovetail with funding programmes and other strategies such as the Regional Economic Strategy, the Convergence Programme and the Local Area Agreement. This is important and is a critical factor in shaping the approach to the monitoring process set out here. The success of Strategy and Action will be in enabling partners to work towards common aims. 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 myriad of different funding streams.

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 –Gross Value Added)

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. It will look at published data in depth and where appropriate will commission new work and analysis.) This will be presented in detail in an annual review of the Evidence Base. This will capture 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 these at a headline level key changes and issues that reflect sustainability. 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 at Delivery – demonstration that actions have been undertaken, or the progress towards delivery. The outputs from such activities – jobs, output, sq. metres of floorspace, environmental best practice, etc should be recorded and reported by the body which is responsible for public investment. This will avoid the double counting which can arise from several agencies claiming credit for the same outputs. 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 actions prove that they 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. Ultimately the Cornwall and Isles of Scilly Economic Forum will have responsibility for keeping up to date relevant evidence and this will be hosted on the Economic Forum web site and regular reports will be produced and circulated to all partnerships and organisations identified as being responsible for the delivery of the strategy.

11. Strategy Development

This review of *Strategy and Action* is being undertaken by the Secretariat of the Cornwall and Isles of Scilly Economic Forum with the support of Cornwall Enterprise and many other partners. The Economic Forum is the strategic economic partnership for Cornwall and Isles of Scilly and is recognised by the County Council, South West RDA, Government Office South West (GOSW), the Cornwall Business Partnership, District Councils and the Council of the Isles of Scilly.

A Strategic Context document (Appendix A) has been prepared in parallel with this consultation document in order to reflect the implications of other key strategic and policies and of the links between them.

It 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 to encourage 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 are likely to be required (for example with the Government's recent announcement to introducing carbon trading). In addition, there are other strategic debates which will be required 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. This 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 which 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.

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 review also provides an important contribution to the structuring 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.

12. Acknowledgements

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14. 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 the PC is turned off again. Broadband offers high-speed Internet access and 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 1-2-1 advice from a health-care professional on the possibilities of work followed by structured interventions to manage the health condition and move people 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 to lead the integration of the innovative actions into a seamless whole system for prospective entrepreneurs and 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.

CPO: Compulsory Purchase Order

CSO: Combined Storm Overflows

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, coupled with a

character of people and place that presents real opportunities for sustainable prosperity. Its distinctiveness is the foundation for a positive place image which can be capitalised upon by attracting visitors, businesses and investment, 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 represent 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 which can offer competitive energy supply alongside many of the above items.

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.

Excess winter mortality (EWM): This is calculated by comparing the total number of deaths during the winter period (December–March) with the average number of deaths in the preceding and following four-month periods. EWM rates in the UK are amongst the highest in Europe and up to three times greater than those of countries such as Canada and Sweden, where – although winters are more severe than in Britain – the thermal quality of homes is much better.

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 Strategy: This is the EU strategy 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.

Growth Poles: A growth pole can be described as a successful centre for expanding businesses or a "hot spot" that is a business centre particularly well equipped to generate, commercialise and diffuse knowledge bringing about additional value added and economic growth.

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 provides 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. (Metcalf, 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: This is 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 where 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.

MCTI's: 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.

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 route-ways 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: Sport means all forms of physical activity which, through casual or organised participation, aim at expressing or improving physical fitness and mental wellbeing, forming social relationships or obtaining results in competition at all levels. Taken from the 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)

SUDS: Sustainable Urban Drainage Systems

The third sector: This definition applies to organisations which 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 and those in receipt of benefits due to unemployment, ill health or because they are bringing up children alone.