

# 9. ECONOMIC DEVELOPMENT

## 9.1 Introduction and background

The county council is directly and indirectly involved in economic development and regeneration through a wide variety of different services and roles. The Council contributes to community outcomes through Objective One and match funding. It is investing to work more effectively with diverse communities. It works with a range of partners to deliver initiatives on economic development, health, affordable housing, crime reduction and tackling substance abuse.

Economic development roles vary from strategic to specific:

- Strategic influencing role - providing political, lobbying, ambassadorial and networking support to key initiatives and the support development of key partnerships to enable others to lead activity.
- Leadership role - in organising or delivering services and projects and in the development of strategic countywide partnerships. Encouraging involvement and engagement of partners and stakeholders.
- Corporate role – in developing and implementing the Council’s own projects and as a major local employer, purchaser and procurer.
- Provision of financial support - where others are taking the lead on projects which are deemed strategically important, the council may provide direct financial support, or working capital assistance, or may act as applicant on behalf of those lead partners who can not fulfil the role.
- Specialised role - in delivery of a specific area of activity where Cornwall County Council or Cornwall Enterprise have a particular expertise. Often others will lead the general activity.



- Research and analysis role – providing quality research and analysis to support activity and inform priorities.
- Complementary role - which provides economic benefits from activities undertaken for different purposes.
- Encouraging a culture of innovation and developing business including inward investment
- Ensuring Cornwall continues its exploitation of Information and Communications Technology (ICT)
- Assisting in the development of sustainable and high-quality transport (including the development of Newquay Cornwall Airport) and employment infrastructure incorporating the provision of key employment space, conference facilities and quality accommodation
- Ensuring Cornwall County Council does not adversely affect the private economy the Council depends on, by our spending and commissioning of services powers, and supports on-going workforce development
- Promoting a supportive and inclusive community that raises aspirations achievements and opportunities for all
- Providing leadership for, and supporting, the delivery of strategic activities that increase our environment's capacity to improve the sustainability of socio-economic development, providing a particular focus on resource management and carbon reduction.

Cornwall Enterprise (CE) is a wholly owned company of Cornwall County Council contracted to provide a range of economic development services at sub-regional level. It also carries out some services directly for district councils and other local delivery

agencies such as Town Councils or local Community Development Companies.

Cornwall's six district councils all have economic, regeneration and tourism teams, but the scale, scope, organisation and quality of services provided varies considerably. Some teams are grouped with forward planning, countryside and estates services, which generally makes for a more 'joined up' approach e.g. North Cornwall and Caradon. Some also include the sport and cultural development functions which are specifically recognised in the White Paper as contributing to overall economic development e.g. Penwith. District activities in regard to tourism are primarily limited to local marketing and beach management. Falmouth and St Austell have town centre managers; a manager is also planned for Newquay.

During the Objective One period, the scale of the district teams has been augmented by support through Objective One technical assistance funding. Originally set up as separate delivery agencies, these teams were brought 'in house' midway through the Objective One programme to improve their effectiveness and reduce costs. Most of these teams will wind up during 2007; this is prompting a period of restructuring and staff turnover. Some districts are managing this process effectively, others less so. Recently, Caradon DC has experienced significant cutbacks, and Restormel BC team is undergoing a prolonged restructuring, resulting in much reduced capacity at present. Other districts plan changes during early 2007-8.

Further additional resources have been provided in areas of special need e.g. Penwith and Kerrier are currently in receipt of Neighbourhood Renewal Funds and an Urban Regeneration Company (URC) has been established for the Camborne Pool Redruth area of

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Kerrier District. The URC is funded by several partners including SWRDA, Cornwall County Council, and Kerrier DC.

Cornwall County Council's Best Value Review of Economic Development, Regeneration and Tourism<sup>8</sup> recommended the need to clarify roles and responsibilities of agencies, partnerships and local authorities in delivering economic, regeneration and tourism in Cornwall, in particular to identify lead agencies in relation to the thematic areas of Cornwall's economic development strategy.

During the Objective One period, although major projects were effectively commissioned – such as CUC - much of the programme was project driven. The Single Programming Document was quite complicated and open to broad interpretation. Much time and effort was wasted and sometimes local expectations were unreasonably raised, causing frustration and disappointment. There were complex arrangements around the administration of the Objective One programme and, in general, transaction costs were high – for example the wastefulness of the IAP team approach has already been mentioned.

The Rural Cornwall and Isles of Scilly Partnership, supported by funds from all district councils and the county council, has gained recognition as SWRDA's local delivery partner, handling a range of delegated funds that operate over all or parts of the county. However an issue with this arrangement is that, with the budgetary constraints all local authorities face, and with economic development a discretionary spend area, there have been times when securing funds from all districts has been under threat. At times like these there is often the call that if one were

to drop out either the service does not apply to that area or all the others will also withdraw. This is not a particularly sound way to provide a countywide service.

In the **tourism sector** problems arising from the current arrangements include:

- Much duplication of effort; multiplicity of organisations involved in marketing
- Fragmentation of processes; large number of groups and structures
- Multi - layered, often slow decision processes
- Difficulty of obtaining consensus on processes, outputs, plans
- Subgroups ring fencing their specific areas and production outputs e.g. print
- Lack of 'Cornwall – wide' agreement on programmes, governance etc
- Structures include number of 'volunteers' with variable input levels
- Slow processes and unclear responsibilities between structures
- Lack of clear linkage, dialogue and leverage of opportunities from National (VisitBritain) through Regional (South West Tourism) to county (Visit Cornwall) and thereafter to customers via districts / Tourist Information Centres (TICs) / Providers
- Often confusing and variable messages for the customer across the county, more costly processes and therefore lack of progress to meet the real challenges from competition and exceed customer expectations – the opportunity cost is high
- Slow adoption of new techniques e.g. segmentation, eVisitor

<sup>8</sup>Final Report, January 2003

## Opportunities for improvement

The recognition of the Cornwall and Isles of Scilly Economic Forum as the relevant partnership for economic development within the Cornwall Strategic Partnership has helped to focus and strengthen strategy development. A unified council would work actively to support the Forum's ongoing role.

Lessons learnt from the Objective One programme can be applied to the proposed arrangements for the delivery of Cornwall's Convergence Programme. These activities would be delivered in partnership with SWRDA and GOSW through a tripartite structure. The unified council would organise itself to support the Cornwall Convergence Programme and other related programmes that provide strategic plans/programming and funding, in particular rural development and fisheries.

There would be a strengthened core of 'back office' expertise in these areas working closely with spatial planning and transportation staff to smooth delivery, building on the already good working relationships between Cornwall Enterprise and the policy units in spatial planning, transport, design and property teams.

The new arrangements would offer greater opportunities for staff career development, depth of expertise and structured management training of the type that districts are not all able to provide.

An example of how the tourism sector would benefit by streamlined provision is through the work of VisitCornwall. The approach here is to maximise customer awareness, satisfaction and local income levels by reaching and informing appropriate markets, facilitating arrival, ensuring that the public product meets quality expectations and that it is maintained to a good standard.

- The route to the customer and trade would be faster, more streamlined and improved in quality, with Cornwall-wide coordination of promotions and working methods across key channels of distribution. Examples could include the TIC network where better co-ordination would enable a broadly similar 'offer' of services and products to customers across the whole county; e.g. new commercial opportunities for TICs such as mobile phone top ups or foreign exchange services (at present sold by only a few) – these could be adopted faster, notwithstanding TIC ownership model differences. Car Parking could be simplified with out of county/entry point promotion of ticket books, or indeed web downloadable tickets for a week's parking throughout Cornwall being an excellent concept for visitors.
- Promotional and marketing techniques could be harmonised more easily and made more effective with a closer eye on real customer and trade needs. This could include elimination of much duplicated effort e.g. guide production and distribution, web marketing etc.
- Reduction of the dilution of the Cornwall message and brand by the cessation of splitting it into artificial sub-brands by district (which the visitor in general does not recognise) will clarify the message to the customer and yield much better 'cut through' in the media
- Increased input and feedback at the local level would inform the marketing and communication programmes to better meet specific needs at that level, fitting more smoothly with Cornwall-wide activity due to the elimination of a middle layer – for example, town specific marketing

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- Reducing a layer will speed up communications across the board and make for faster decision making for the benefit of the end customer, thereby increasing competitive advantage for Cornwall versus other competing destinations
  - A single DMO computer system, with one database and booking engine, would also be a benefit with a more 'seamless' approach to system design, strategic decisions, processes, consumer benefits, therefore driving up revenues and customer satisfaction levels as a result.
- VisitCornwall would be the overall portal for online activity across the county and with links to local sites (e.g. St Ives); websites for sectors, (e.g. food) and areas, (e.g. Roseland), would be driven by customer and marketing needs, not administrative boundaries.
- Adoption and discussion of new initiatives would be much easier and faster with an overall 'Cornwall' process in place, informed by appropriate local feedback. This could also yield cost efficiencies with procurement on a Cornwall-



wide basis for programmes and services rather than the current 6 buying points involved.

- Overhead allocation to be more clearly consolidated with effective improvements to communication, information flows, administration.

## 9.2 Our specific proposals

Currently, Cornwall's economic development policy is developed by a single partnership – the Economic Forum - but delivered by many agencies. As the Best Value review in 2003 indicated, there is, not surprisingly, - considerable confusion as to who is responsible for what. We believe there is a clear case to streamline delivery mechanisms in order to provide a more coherent<sup>9</sup> economic development service to Cornwall's communities. This would also provide improved accountability to stakeholders and simplify performance monitoring, reducing the need to 'unpick' what has actually been delivered by the different agencies. It would enhance sub-regional and local capacity to understand what is actually being achieved.

We believe there is a case for setting up a Cornwall Development Agency which would be capable of taking on a further range of functions currently carried out by others, including some of the regeneration functions for which the Cornwall Office of SWRDA is responsible. There is a case for SWRDA to concentrate its resources on areas such as strategic sites and premises development and deliver other services such as community regeneration through a more community-focussed sub-regional partner. SWRDA has already partly shed some of this role to the Market and Coastal Towns Association – the MCTA facilitation role could be more closely integrated with a new council and be delivered via the proposed Community Networks.

A new agency would have clear lines of public accountability to locally elected representatives and be part of the process of public scrutiny. Whilst it will be the intention to devolve decisions to local communities, the area of economic development presents some real challenges. If our proposals are accepted we will work to determine how best to meet our objective to promote the economic revival of Cornwall whilst continuing to enable local communities to be actively involved in making local decisions.



<sup>9</sup>Cornwall County Council Best Value Review of Economic Development, Regeneration and Tourism Final Report, January 2003