

**South East of England
Competitiveness Operational Programme 2007-13**

Consultation process

How to respond

This consultation will end on 1 June 2007

We look forward to receiving your comments as much before the date as possible. Please respond using the on-line questionnaire which has been designed to make it easier to submit your views.

A copy of the draft Operational Programme and the questionnaire can be downloaded from: www.seeda.co.uk or from www.gose.gov.uk

If you have any problems whilst completing the questionnaire or need a hard copy of either the questionnaire or the draft Operational programme please contact Rob Neogi on 01483 884840 or send an e-mail to: European@gose.gsi.gov.uk

Completed questionnaires should be sent to: European@gose.gsi.gov.uk or as hard copy to:

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Consultation Response Form

Introduction

This questionnaire is intended to make it easy to submit views on the draft South East England Competitiveness (ERDF) Operational Programme.

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Please indicate what type of organisation you represent:

- | | |
|-------------------------------------|-------------------------------------|
| Business or employer | <input type="checkbox"/> |
| Environmental | <input type="checkbox"/> |
| Equality Commission | <input type="checkbox"/> |
| Further Education Institution | <input type="checkbox"/> |
| Government department | <input type="checkbox"/> |
| Higher Education Institution | <input type="checkbox"/> |
| Learning and Skills Council | <input type="checkbox"/> |
| Local Authority | <input type="checkbox"/> |
| Non-departmental public body | <input type="checkbox"/> |
| Private company | <input type="checkbox"/> |
| Private sector training provider | <input type="checkbox"/> |
| Sector Skills Council | <input type="checkbox"/> |
| Sub-regional partnership | <input checked="" type="checkbox"/> |
| Trade Union | <input type="checkbox"/> |
| Voluntary or community organisation | <input type="checkbox"/> |
| Other (please state): | <input type="checkbox"/> |

Are you responding on behalf of your organisation?

- | | |
|-----|-------------------------------------|
| Yes | <input checked="" type="checkbox"/> |
| No | <input type="checkbox"/> |

If other, please specify below:

Consultation Question One:

Are the principles outlined above necessary and sufficient to guide the Operational Programme in the South East? What additional principles should be applied?

Please feel free to expand the box if additional space required

The Partnership for Urban South Hampshire (PUSH) Sub-group on Enterprise, Innovation and Business Support welcomes the principles set out in the draft Competitiveness programme. It is important for the programme to promote innovation, to support new ways of linking good practice between different parts of the region, and to concentrate resources on a limited number of truly catalytic projects.

The document states that consensus has been reached in the region not to spatially pre-determine funding. While this is a laudable principle in terms of equality of access, it does create difficulties in ensuring the funds are concentrated for maximum impact. The programme strategy and analysis refers to areas of opportunity and underperformance, concentrated on the Diamonds for Growth on the one hand and the coastal South East on the other. It would seem logical that the programme should be structured in a way which ensures the potential of these areas is prioritised. This could be done through project tender specifications or selection criteria in any calls for proposals. Equally, we should not lose sight of the importance of urban areas in driving forward the regional economy, as hubs of business, employment, research and learning. The policy direction given by the EU Community Strategic Guidelines calls for cities to be fully implicated in the delivery of Competitiveness programmes. Finally, the importance of construction as a major contributory factor to the South East ecological footprint would justify some focus on the key new housing and growth sites across the region.

In addition, it is stated that the programme must apply to all sectors and not just business. Given the evidence in the consultation document of over-reliance on public sector employment and the strengths of South East business in investment in R&D, innovation/product innovation, and ICT investment, it would seem that despite the need to involve all sectors, business-led sustainable growth is of primary importance.

Consultation Question Two:

Does the available evidence on the one hand, and the challenges facing the South East as outlined in the RES on the other, direct us to a Competitiveness Programme focused on the composite objective of "Innovation, Knowledge Transfer and Sustainable Productivity"? Would you refine it in any way?

Please feel free to expand the box if additional space required

Bearing in mind the size of the programme, the composite objective of "Innovation, Knowledge Transfer and Sustainable Productivity" is relevant, reasonable and proportional.

We would refine the concept by taking into account that when we are talking about

sustaining our position, we are not talking about standing still either at regional or sub-regional level.

- At the regional level, although a leading EU region, the South East must strive to stretch itself and improve its performance even further. After all, it comes only 34th in the top 40 global regions on productivity (p14) and is trailing EU leaders on innovation (p21)
- At the sub-regional level, in certain parts of the region, the challenge is not to sustain a thriving economy but simply to build and improve to reach the regional average, thus helping to close the gap between most and least prosperous parts of the region.

It is also unclear from this title to what extent the sustainability angle is focusing on economic production or consumption by households of resources such as water, electricity, car use, and recycling, especially as unlike many regions CO2 emissions from consumption are far higher than production (p30). Does “sustainable productivity” cover this completely? This will affect to what extent the programme targets individuals (via public sector organisations and local authorities) and businesses.

The concept of allocating at least 10% of funding to transfer good practice from areas with a stronger economic base to those with a weaker economic base is welcome but could be refined in order to highlight that this is not necessarily a one way process. Local authorities and businesses must be confident of a return on their investment in any project they are involved in, as well as benefiting others in the region. It would be helpful therefore to talk about support for networks of **mutual** learning and investment.

Consultation Question Three:

- a) Do you agree with the proposed theme of promoting the knowledge economy as the prime focus (63% of expenditure) for the Competitiveness Programme?
- b) Should it have greater or lesser prominence in the Programme?
- c) Are the two strands falling out of this theme the most appropriate to address the underlying competitiveness and sustainability issues, given the modest size of the Programme?

Please feel free to expand the box if additional space required

The PUSH Sub-group on Enterprise, Innovation and Business Support agrees that the main focus of the programme should be promoting the knowledge economy and that this should have the lion’s share of funding. It is also true that given the size of the programme, certain activities such as university R&D or supporting high tech businesses would have limited value.

Having said that, the rationale for this theme is not fully linked to the socio-economic analysis and there should be a greater link between these sections to fully justify this focus. The Kok report and Aho report quoted here are useful, but links need to be made to the previous analysis of the South East.

The second strand in this theme regarding access of individuals and groups to the knowledge economy by promoting ICT take-up among disadvantaged groups is rather

narrow and seems more applicable to the ESF programme than to ERDF. ICT forms a very small part of the issues drawn out of the analysis of the South East knowledge economy. Other human capital issues could be included here, including enterprise education. Levels of entrepreneurship and the skills required to start up businesses are important to ensuring the sustainable economy, reducing over-reliance on public sector and driving up performance in lagging areas. The areas with strong economic potential (p9) also have low business start-up rates. Graduate retention could also be addressed as solutions to demographic change are not just about productivity but also increasing the pool of available skills and labour. Bringing disadvantaged groups to the labour market is a task for ESF; with limited funding, ERDF could more usefully tackle higher level skills.

Therefore the second theme could be broadened out to cover human capital for the knowledge economy – including ICT, entrepreneurship and graduate retention – while being careful to ensure this complements the European Social Fund programme for England which focuses on basic skills.

Consultation Question Four

- a) Do you agree with the proposed theme of Promoting Sustainable Production and Consumption as the secondary focus (33% of expenditure) for the Competitiveness Programme?
- b) Should it have greater or lesser prominence in the Programme?
- c) Are the two themes falling out of this themes the most appropriate to address the underlying sustainability and competitiveness issues, given the modest size of the Programme?

Please feel free to expand the box if additional space required

The PUSH Sub-group on Enterprise, Innovation and Business Support agrees with this theme as the secondary focus. However it is important to ensure there is no rigid split between the two areas. The knowledge economy and sustainability should be developed hand in hand, as evidenced throughout the analysis and strategy. There should be some flexibility in how the budget is therefore split between the two themes.

Furthermore, the Sub-group agrees that this priority should focus on pilot projects in which partnerships work together to devise – or transfer - common solutions to congestion, resource use, recycling and so on to stimulate new forms of economic activity. Local authorities are ideally placed to work with business and voluntary sector to promote these projects, particularly through new models of public procurement.

Consultation Question Five

What indicative actions from the table should drive the programme forward and are there any others you wish to add?

Please feel free to expand the box if additional space required

The indicative action list contains many important potential projects and is welcomed, but it is disappointing in its lack of focus on the four main areas of activity and blurs the lines between Theme 1 and Theme 2.

It is surprising for example that there is so much mention of tourism which has barely been mentioned anywhere in the document previously. There is nothing under Theme 1 on take-up of ICTs by disadvantaged groups on ICTs which is ostensibly the second strand besides supporting the knowledge economy.

The PUSH Sub-group on Enterprise, Innovation and Business Support would like to suggest the following indicative actions, the majority of which are priorities for development in the Sub-group's Action Plan:

- Support growth business clusters in the Diamonds for Growth/coastal strip and promote advantages to be gained from cross-cluster learning (e.g. taking marine sector experience)
- Support technology fora to ensure connectivity between major knowledge-based organisations including HEIs
- Improve and extend enterprise education & introduce enterprise-led initiatives with local authorities
- Support business events to promote innovation and sustainability
- Improve promotion of procurement opportunities for small companies & encourage the public sector to promote responsible procurement, including preparing for the Olympics
- Ensure business support mechanisms fully support the environmental agenda including improvement of process and products

Develop a programme that integrates business support and economic development for diamonds of growth. The programme could be piloted in Urban South Hampshire and then rolled out across the region for the other diamonds.

Consultation Question Six

What ideas do you have for projects which could benefit from an internationalised strand in the Programme? How can these projects build on existing networks in the region such as Grow and PURPLE?

Please feel free to expand the box if additional space required

All parts of the region have different international networks at city or county level, through local authorities, universities, businesses and NGOs, which could feed into and off the Competitiveness programme. SCC for example leads the NEW EPOC network under INTERREG which brings together 9 European maritime cities to work on improving the economic prosperity of port cities. (www.new-epoc.net)

In order to avoid a proliferation of proposals from all quarters and to enable pan-regional learning, we should focus on networks which are region-wide and open to all. The only network which we are aware of which is truly open and applicable to all in the South East is the GROW project led by SEEDA. The experience of GROW under INTERREG IIIC is ideal to build on in future, as it is through INTERREG that future inter-regional links with the South East ERDF programme could be made. This will ensure that we can build on the results of GROW and enable a relatively smooth transfer to the new programme, bearing in mind how slowly EU transnational partnerships are set up. The PUSH sub-group on Enterprise, Innovation and Business Support would welcome SEEDA continuing to lead this activity under the technical assistance budget.

Thank you very much for taking the time to complete this response form. The results will be fed into the ERDF consultation process and will help inform the development of the South East England Competitiveness (ERDF) Operational Programme 2007-13.

Please send your completed response form to GOSE by the 1 June 2007.

Alternatively please email to request a hard copy of the response form and return it to the postal address below.

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