

Objective 1 Funding for South Yorkshire

Presentation by Richard Atack, South Yorkshire Forum, to the IEE Sheffield Centre on 29 July 1999 at the Holiday Inn Sheffield

Aide memoir to meeting

Introduction

Objective 1 status implies that a region has a gross domestic product below 75% of the EU average.

It is a seven-year programme of funding, which will probably extend to nine or ten years overall. Thus unlike earlier programmes, this extended period of funding will allow the support of long-term objectives – a once-in-a-lifetime opportunity to do something to really benefit the region.

EU funding must be matched by the member state to which it is awarded. It is now one of the key roles of the South Yorkshire Forum to identify sources of funding to match the EU money.

The EU funding awarded is some £750m. Taken with the matched funding it is hoped that this will represent a total injection to the region of around £2bn.

The results of this consultation phase are to be considered in the preparation of a Single Programming Document (SPD) which is to be submitted to the EU Commission in early autumn this year. This will form the basis for delivery of the funding programme. The programme is being developed under six headings which are...

- The information society
- Business competitiveness
- Education and training
- The environment
- Restructuring the economy
- Promoting economic and social inclusion

Some of these topics were discussed during the meeting – others only briefly mentioned.

SWOT analysis

The following comments (not in any priority order) were made regarding the SWOT analysis presented in the SYF 'Making the Breakthrough' document...

- The excellent sporting facilities offered by Sheffield had not been highlighted. Large companies wishing to relocate into the area might consider this an advantage.

- It was felt that the analysis contained too many items to promote a really useful discussion. Rather more focus is required.
- The workforce is on one hand described as ‘established and competitive’ and ‘large and capable’ but on the other as having a ‘low skills base’ and suffering from ‘entrenched long term unemployment’. This gives the impression of a region offering only ‘cheap’ rather than ‘competitive’ labour which is not compatible with the vision statement of ‘a growing European centre for high technology manufacturing and knowledge based services...’. This conflicting message should be resolved.
- When reading the SWOT analysis, the numbers at the side of each item tend to suggest some sense of priority. These were felt not to be a good idea (particularly when combined with the long lists) as they might colour discussions during the consultation process.
- Good rail links to/from Doncaster may be considered a strength, but poor rail links to/from Sheffield are a definite weakness.

‘The Information society’

There is a poor Information and Communication Technologies (ICT) culture in the region, with a low regard for the value of ICT in the population. This is seen as a high priority for EU support.

Objective 1 funding can help by...

- Promoting a cultural change, with a focus on business and young people.
- Supporting the public sector and ICT infrastructure
- Promotion of companies operating as ‘advanced producer services’
- Developing a major ICT education and training programme with the (essential) training infrastructure to deliver this.
- Supporting the modernisation of public services
- Linking ICT education in schools to the world of work

Comments

It was felt that ICT training was essential for sustainable improvement.

The IEE has a key role to play in developing this area through CPD activities and schools liaison work.

It was noted that there is a comparatively low usage of computers throughout the region.

‘Business competitiveness’

The region is apparently short of some 14000 companies.

The region has a very poor start-up and survival record with very few start-ups in potential high-growth sectors.

The region's 'limitation of aspiration' is very evident.

There are generally very low levels of Research and Development.

Objective 1 can assist by...

- Boosting competitiveness
- Benefitting larger companies as well as SMEs.
- Freeing up funding from other sources (such as Regional Selective Assistance).

Comments

It was felt that we need to encourage the retention of the 'high-flier' graduates in the region as these will tend to spawn tomorrow's growth companies if the right 'culture' can be created.

Objective 1 funding should be used to encourage the establishment of Research and Development facilities for manufacturing companies in key growth sectors. This may be a difficult task because other regions are doing the same (the comparison was drawn with Ireland), but it is seen as key to providing real sustainable growth and not simply cheap jobs which will disappear when the funding runs out.

There is a general lack of the managerial skills necessary to develop long-term vision in business. 'Too many one hundred year old companies' was one comment made, referring to the way companies eventually fail due to disappearing markets and loss of direction.

Developing a skilled workforce in target areas is essential if jobs are to be won.

Not enough is being done at universities to encourage entrepreneurial skills.

Developing a manufacturing capability was seen as essential for the future prosperity of the region and would itself yield service sector and supply chain jobs requiring people with a wide range of skills and abilities.

Whilst support for start-ups and SMEs is important, such businesses are frequently very parochial and it necessary for them to be able to build a local market serving larger organisations.

'Education and training'

The region suffers from below average skills across the board.

Objective 1 can help by...

- Encouraging a life-long learning culture
- Developing a learning system for the 21 century
- Improving skills at work

- Educating children & young people in the world of work
- Building stronger communities
- Getting people back to work

Comments

It is essential to provide job and career opportunities before people will be motivated to educate themselves.

It is necessary to educate parents to encourage their children to see the benefits of education. This relies on the opportunities being seen to be available to those in the most deprived areas.

It is necessary to encourage the high fliers at school so that they wish to stay.

'The environment'

Whilst a high quality environment infrastructure is a priority, funded projects must also have some economic benefit to the region.

The overall impact of the Single Programming Document (SPD) on the environment is an important consideration.

'Promoting economic and social inclusion'

The region is seeing increasing deprivation/unemployment/joblessness.

People have a low disposable income.

There are high levels of disadvantage across all of South Yorkshire.

Objective 1 can...

- Turn exclusion into inclusion
- Help the disadvantaged benefit from economic recovery
- Develop the capacity in communities to provide local solutions

Timescales

October/November 1999 – 2nd phase of consultation begins, concentrating on detail and delivery.

May 2000 – approval of EU Strategy

Autumn 2000 – project proposals start to be considered

December 2000 – funding begins

In conclusion

On behalf of the IEE Sheffield Centre, may I repeat my thanks to the speaker, Richard Atack, and to the South Yorkshire Forum for helping to organise this event at short notice.

I apologise for any comments which were made and not noted, but if anyone would wish to add to these please email me at bobholland@bradwell.net and I will try to pass them on.

We hope it may be possible to organise a follow up to this meeting, please watch out in the newsletters and on the web site <http://www.ieesheff.force9.co.uk> for announcements.

Further information about Objective 1 can be obtained from the South Yorkshire Forum on 0114 273 4244/4243, email SYForum@aol.com .

Finally – those who attended will find a questionnaire in their packs – ignore the ‘sell by’ date on the form and get them back to SYF with your comments.

R E B Holland BEng CEng FIEE
Chairman, IEE Sheffield Centre
2 August 1999

Enjoy your summer & see you next session.