

Inquiry into Stimulating
Economic Activity in Areas
Remote from Growth –
Special Hearing Briefing Paper

A Report by Regeneris
Consulting

4NW

**Inquiry into Stimulating
Economic Activity in Areas
Remote from Growth – Special
Hearing Briefing Paper**

September 2008

Regeneris Consulting Ltd

One Ashley Road
Altrincham, Cheshire
WA14 2DT

Tel: 0161 926 9214

Web: www.regeneris.co.uk

Contents

1. Introduction	1
2. Key Points	3
3. Purpose and Terms of Reference of the Inquiry	7
4. Proposed Format and Questions for the Special Hearing	10
5. The 2006 RES & Areas Remote from Growth	13
6. Case Study 1: Pennine Lancashire	22
7. Case Study 2: West Cumbria and Barrow/ Furness	32
Appendix A Aide Memoire for Consultations	44
Appendix B List of Consultees	46

1. Introduction

- 1.1 Regeneris Consulting has been commissioned by 4NW to provide consultancy support for the Review and Scrutiny Group's (R&S Group) inquiry into the stimulation of economic activity in areas remote from growth in the North West. The key purpose of this inquiry is to review Regional Economic Strategy (RES) related and NWDA sponsored activity in the North West which has aimed to deliver employment and regeneration in those areas of the region which are defined as being remote from economic growth in the current RES (2006). Those areas are:
- West Cumbria
 - Barrow
 - East Lancashire (now called Pennine Lancashire)
 - Blackpool.
 - Lagging rural areas, (including parts of Copeland, Allerdale, West Lancashire and Lancaster).
- 1.2 Remoteness from growth has been identified as a key challenge for parts of the North West economy, and this is reflected in its prominence in the RES which highlights a series of actions which aim to promote economic activity and create local employment. This approach and these actions are the focus of the Inquiry.
- 1.3 The Inquiry is taking place at a potentially important juncture in regional economic development policy in the North West. Nationally, the 2007 Sub-National Review of Economic Development and Regeneration (SNR) signalled the Government's intent to implement some significant changes in the role of RDAs and their sub-regional & local partners. Particularly notable are the possibility that planning responsibilities could be added to the Agencies' remits and the renewed focus on the delegation of funding to local authorities. More recently, CLG's newly issued regeneration framework (*Transforming Places; Changing Lives*) responds to the SNR's recommendation for a more consistent approach to prioritising and coordinating activity to tackle the underlying economic challenges that impede social mobility. This is a key challenge for those areas of the North West which are the focus of the Inquiry.
- 1.4 This report serves as the briefing paper for the Inquiry's Special Hearing on 29th September 2008. It sets out interim findings from Regeneris Consulting's research to date, including analysis of data relating to the comparative performance of the case study areas and the NWDA's expenditure in those areas. Its chief purpose is to stimulate discussion at the evidence gathering session on 29th September. To this end, it provides the R&S Group and 4NW officers with key emerging messages from the research and a series of questions which should be the focus for the evidence gathering process at the Special Hearing.

Content of the Report

1.5 The briefing note is structured as follows:

- Section 2 highlights the key points from the note.
- Section 3 summarises the purposes and terms of reference of the inquiry, and briefly sets out the study approach used by Regeneris Consulting.
- Section 4 sets out the proposed format and questions for the Special Hearing
- Section 5 briefly outlines why areas remote from growth were explicitly included in the RES and the actions earmarked for them.
- Section 6 presents the main findings to date from the the case study of Pennine Lancashire
- Section 7 presents the findings for the case studies of Barrow and West Cumbria.

2. Key Points

Remoteness from Growth and the Regional Economic Strategy

- 2.6 Remoteness from growth was identified in the 2006 Regional Economic Strategy as a **significant economic challenge for the North West**. This reflected evidence that **some areas of the region had not benefited from the employment growth and investment** which had been a feature of the strongest performing areas of the North West during the early to mid 2000s.
- 2.7 RES actions to tackle remoteness from growth distinguished 5 areas, each of which faced specific problems associated with their location and socio-economic characteristics. They were West Cumbria, Barrow, East Lancashire (now called Pennine Lancashire), Blackpool and lagging rural areas, (including parts of Copeland, Allerdale, West Lancashire and Lancaster). Three of these areas (West Cumbria, Barrow and Pennine Lancashire) are the focus of case studies for the Inquiry.
- 2.8 The RES actions for areas remote from growth earmarked **a combination of strategy development, economic planning, support for key sectors** and measures to support the **diversification of the business base**.

NWDA Expenditure

- 2.9 The NWDA has supplied information to the Inquiry about its annual expenditure in the case study areas covering the period from 2003 to 2008. This gives total expenditure for the three areas of around £205 million over the 5 year period, with the following broad breakdown:
- £30 million for Barrow
 - £30 million for West Cumbria
 - £52 million by West Lakes Renaissance in both Barrow and West Cumbria.
 - £93 million in Pennine Lancashire.
- 2.10 This translates into the following per capita expenditure data for 2007-08 and the most recent population estimates (2006).
- Barrow and West Cumbria, including West Lakes Renaissance - £112
 - Pennine Lancashire - £40
 - North West - £57.

Pennine Lancashire: Key Points

Key Challenges

- 2.11 The area's **principal economic challenges** stem from its struggle to capture new investment and creating new employment as its manufacturing base has contracted. **High levels of worklessness** in urban areas and **entrenched deprivation** combine to make it imperative that the area either generates or improves access to new and better paid employment to move it away from its status as a low wage, low skilled economy.
- 2.12 The need for **better rail access** to Manchester and steps to **improve road journey times** have been highlighted as key measures to address remoteness from growth. Funding to deliver improvements to the Clitheroe-Manchester line (Bolton-Blackburn) is seen as a key project by some partners in Pennine Lancashire. Others point to the importance of the proposals to reinstate the Todmorden curve to provide a rapid rail link from Burnley and Pendle to Manchester.
- 2.13 The Inquiry has also pointed to **socio-economic and cultural barriers to commuting out of the area**. The apparent **weakness of commuting links from Pennine Lancashire to Preston**, identified in the 2006 RES as a growth centre for the North West, has also been emphasised.
- 2.14 The **complexity of governance arrangements and politics in Pennine Lancashire** is seen by all partners as having impeded efforts to devise strategies, identify and deliver big ticket economic development and regeneration schemes for the area. This has been exacerbated by a **lack of capacity** within parts of the area's regeneration community to devise and deliver major projects.

NWDA Support

- 2.15 The NWDA has been directly and indirectly involved in several key projects in the area. Partners have particularly pointed to the Agency's funding and influence on the following:
- The development of **major employment sites** (eg. Michelin, Burnley; Whitebirk, Hyndburn).
 - Strengthening the area's **advanced manufacturing base**, including support for projects in Burnley and support for Aeropark, Samlesbury.
 - Support for the **expansion of higher education provision** in the area.
 - Agency backing for **capacity building initiatives**, including its support for the PLACE programme.

Emerging Messages for the Future

- 2.16 The Inquiry has identified several emerging messages about the NWDA's future role in Pennine Lancashire.
- A desire to see the **Agency become less risk averse** and **less restricted by the current framework of performance targets**.

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

- While recognising that RDAs have a limited role in funding transport infrastructure improvements, a view that the **NWDA could exert more influence over key transport projects** for Pennine Lancashire (eg. improved Blackburn-Bolton rail capacity).
- Approval for the Agency's continued efforts to **support the area in strengthen its capacity to speak with one voice**, particularly through the PLACE initiative.

West Cumbria and Furness: Key Points

2.17 For the two case study areas, the following messages have emerged from the Inquiry:

Key Challenges

2.18 Both West Cumbria and the Barrow-in-Furness areas have **distinct economies and labour markets**. However, they share a **common reliance on one main industrial sector and employer**.

- For Barrow, the fortunes of the ship-building industry have driven its recent economic performance. The area's distance from other employment centres and the M6/west coast rail network also hamper its economy.
- West Cumbria has similar dependence on the nuclear sector and is also geographically isolated from national road&rail infrastructure.

2.19 Recently, **the economic performance of both case study areas has improved**. Data suggest that they have **created new employment** over the period from 2000-06 and **reduced levels of worklessness**. New orders for Barrow's shipyards have had a particularly significant effect on employment. This positive story borne out by the most recent Index of Multiple Deprivation (2007) which shows Allerdale and Copeland to have improved their position, although Barrow has slipped further into the top 10% most deprived places nationally.

NWDA Support

2.20 The Inquiry has highlighted a wide range of support by the NWDA along with its partners in West Cumbria and Barrow. This includes in particular:

- The West Cumbria and Furness New Visions process.
- The Barrow Taskforce.
- West Lakes Renaissance (WLR), the URC for the area.
- The establishment of Cumbria Vision, the sub-region's strategic lead on economic development.

2.21 Partners have also pointed to the NWDA's role in having **pushed for Cumbria to develop its existing strengths** rather than trying to create new linkages to the North West's city regions. Initiatives highlighted to the Inquiry include:

- **WLR's programme of regeneration projects**, expected to be worth around £185

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

million over 10 years, ranging from its substantial investments in **employment land and premises** to its **enterprise programmes**.

- **Ambitious and wide ranging action plans** including the Barrow Task Force Action Plan and the Energy Coast Masterplan for West Cumbria.
- A number of **major land and property schemes** including Barrow's Waterfront Business Park, ongoing work at Furness Business Park, the Marina Village residential scheme and the major brownfield land scheme proposed for Derwent Forest. Also NWDA support for land purchases linked to the Furness and West Cumbria housing market renewal initiative.
- **Transport interventions** including NWDA and Furness Enterprise support for the High and Low Newton bypass, and port related activity at Workington, Maryport, Whitehaven and Barrow.
- Agency support for **education and skills development**, notably its backing for the National Skills Academy for Nuclear.

Emerging Messages for the Future

2.22 Several messages are emerging from the case studies of West Cumbria and Furness including:

- A need for the NWDA to look at how it might **speed up the project approval process** and adopt an approach which makes it **less risk averse**.
- The importance of ensuring that any changes which arise from the sub-national review **strike a balance between the need for strategic focus and any commitments to delegate greater responsibilities to local authorities**.
- The continued value of the NWDA **steering partners towards an approach which focuses on the existing strengths** of the area.
- The need for **sustained investment to ensure that both areas have the capacity to devise and deliver major projects**.

3. Purpose and Terms of Reference of the Inquiry

Purpose

- 3.1 The Inquiry has been designed to provide the R&S Group with the opportunity to examine the range of interventions delivered in areas remote from growth, explore those which have been particularly effective and identify where there are gaps in provision that the NWDA and the partners it works with should consider addressing.
- 3.2 The topic was identified as a subject for Inquiry during the process of forward planning of the R&S Group's work. Part of the rationale for its inclusion in the programme was its prominence as a priority for action under the People and Jobs theme of the RES. In the current climate, five key issues make it a particularly salient subject for 4NW R&S Group.
- Although in both Lancashire and Cumbria economic inactivity rates are below the regional average, both sub-regions contain large areas with very high levels of worklessness, particularly in parts of West Cumbria and Furness and the seaside resorts of Blackpool and Morecambe. These areas are away from the main economic centres, with few prospects for large scale out-commuting, and there is currently relatively low demand for jobs.
 - Blackpool's failure to secure status as the location for a major casino development dealt a significant blow to its long term regeneration plans. A task force was immediately established to look at alternatives for the resort's economic future in an area which has entrenched problems of low pay, worklessness and a transitory resident population. The scale of the challenges facing the town remains substantial.
 - Weak housing markets and the social problems associated with areas of low quality, low value housing continue to blight parts of the North West region. The HMR programme investment is backing action to improve the housing stock which in turn is seen as a key driver of the regeneration of these areas.
 - Regional Development Agencies are under increased pressure to reduce their expenditure. Area based regeneration, although it remains the largest single focus of NWDA investment, will be subject to reductions along with other lines of expenditure. In this context there is an obvious need for the Agency to work with SRPs, local authorities and other partners to support regeneration and job creation.
 - While lagging rural areas are facing the pressures of economic change which have accompanied changes in the agricultural industry, there remains a pressing need to diversify the economic base in these areas and to reduce dependence on single large employers where this is evident. This has meant finding new ways to stimulate investment and generate employment opportunities in areas which lack the communications infrastructure, skills base etc. of the major urban areas.

Terms of Reference

- 3.3 The Terms of Reference for the Inquiry were to review activities which aimed to:
- Restructure and diversify the business base.
 - Stimulate private sector investment.
 - Generate local employment opportunities.
 - Improve skills and provide access to training.
 - Promote sustainable communities.
- 3.4 In addition, it was specified that the review would examine the effectiveness of different regeneration vehicles funded by the NWDA (e.g. Urban Regeneration Companies) in remote areas, considering how they operate as facilitators of regeneration and the impacts they have generated to date.

Approach to the Inquiry

- 3.5 At the last meeting of the R&S Group it was agreed that Regeneris Consulting would ensure a strong focus of the Inquiry through more detailed case studies of three areas. This would enable resources to be deployed in a way which would allow the research team to more deeply probe how interventions by the NWDA and its partners worked in the case study areas. The three areas selected were:
- West Cumbria, comprising Allerdale and Copeland.
 - Barrow and the wider Furness area including Ulverston and parts of South Lakeland.
 - Pennine Lancashire, comprising the local authority districts of Blackburn, Burnley, Hyndburn, Pendle, Ribble Valley and Rossendale.
- 3.6 Given the scale of the problems faced by Blackpool and the region's remote rural areas, the R&S group agreed that there would not be scope for this Inquiry to cover them along with the case study areas. However, the final report for the Inquiry will include some broader analysis of the way that remoteness from growth issues and specifically the commitments made in the RES have been addressed by the NWDA and its partners.
- 3.7 Work on the Inquiry is currently being completed, but the background research and analysis has included the following tasks:

Desk Based Review of Documents and Evidence

- 3.8 A series of strategic and operational documents have been reviewed, principally relating to the three case study areas. These include sub-regional and local economic development and regeneration strategies, Sub-Regional Action Plans (SRAPs), Local and Multi Area Agreements, business plans and evidence bases.
- 3.9 The main Inquiry report, which will follow the special hearing, will contain broad analysis of

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

the way that all the areas identified in the RES as remote from growth have been supported. This will cover Blackpool as well as lagging rural areas. Evidence about the economic performance of these areas is being reviewed to understand what has happened pre and post the 2006 RES. The study is also considering the strategies and interventions which are in place and assess how they have contributed to changes in performance.

Consultations

- 3.10 Consultations have been central to this Inquiry. The research team has consulted with 33 people, mostly in face to face meetings, representing a wide range of organisations representing both the case study areas and the North West. We are extremely grateful for the willing co-operation and insights offered. A list of consultees is set out as Appendix B.
- 3.11 Consultees were asked to be candid in expressing their views. The consultations followed a semi-structured format using an aide memoire designed to cover a comprehensive array of issues including:
- Key economic development and regeneration challenges for the area
 - How remoteness from growth is understood in the area, and the way that actions backed by the Agency have addressed it.
 - Strategic vision and objectives for the area, and the NWDA's role in setting them.
 - Major projects and other interventions in the area and how they have been devised and delivered, particularly the NWDA's contribution
 - Effectiveness and impacts of major projects and interventions
 - Main challenges in devising and delivering interventions
 - Lessons learned from action in areas remote from growth
- 3.12 A copy of the aide memoire, which follows the structure described above, is provided at Appendix A.

4. Proposed Format and Questions for the Special Hearing

4.1 The Special Hearing is scheduled to take place in the afternoon of 29th September. An outline of the proposed programme for the session is provided at Table 4-1.

Brief Introduction	Regeneris Consulting sets the scene for the Inquiry and the panels to follow [with possible input from an expert witness providing an overview of the challenges of areas remote from economic growth]
Panel 1: Barrow and West Cumbria	Session with expert witnesses to address questions raised by Review and Scrutiny Group Members
NWDA/SRP Response	NWDA and SRP representatives to respond to issues raised in the Panel session and field questions from R&S Group
Panel 2: Pennine Lancashire	Session with expert witnesses to address questions raised by Review and Scrutiny Group Members
NWDA/SRP Response	NWDA/SRP representatives to respond to issues raised in Panel session and field questions from R&S Group
Summary Session	Regeneris Consulting team concludes the special hearing

4.2 The briefing note includes below four sets of questions for the R&S Group to address to witnesses and to the NWDA/Sub Regional Partnership representatives, based on the findings from the case studies.

Proposed Questions for the Special Hearing Panels

Panel 1 – Barrow and West Cumbria

Main Questions

- 1) What has been the role of the NWDA in promoting the diversification of the business base in the Barrow and West Cumbria areas, given their reliance on a small number of key employers?
- 2) How effective has been the NWDA's contribution to the development of key partnerships and delivery mechanisms for the two areas?
- 3) Where can the region/NWDA make most impact?

Supplementary Questions

- 4) Why has Cumbria's performance in terms of employment creation and reductions in worklessness improved over recent years? What has been the Agency's contribution to this improved performance?
- 5) What is the right balance between action to generate local employment growth and investment and action to strengthen connectivity to major employment centres?

NWDA/SRP Respondents

- 1) What have been the main challenges for the NWDA in developing strategic objectives for Barrow and West Cumbria?
- 2) What have been the strengths and weaknesses of the areas in devising and developing key projects?
- 3) How does the Agency see the process of industrial diversification developing in future?

Supplementary Questions

- 4) What does the Agency see as the key connectivity issues for West Cumbria and Barrow?
- 5) What are the implications of the Sub National Review for partnership structures and delivery mechanisms in West Cumbria and Barrow?

Panel 2 – Pennine Lancashire

Main Questions

- 1) What are the key connectivity issues for Pennine Lancashire that can help improve the economic prosperity of its residents, and how has the Agency contributed to tackling them?
- 2) What should be the balance between action to boost investment & job creation in Pennine Lancashire and action to improve the area's links to major employment centres?
- 3) What have been the Agency's main contributions to strengthening partnership working in Pennine Lancashire?

Supplementary Questions

- 4) What types of intervention have been most effective in addressing the key economic challenges for Pennine Lancashire?
- 5) How can the Agency best support the housing market renewal agenda?

NWDA/SRP Respondents

- 1) What have been the key measures of progress from the Agency's perspective?
- 2) How significant an issue have been the complex partnership and political arrangements in Pennine Lancashire?
- 3) What has been the impact of capacity limitations in Pennine Lancashire?

Supplementary Questions

● **Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper** ●

- 4) What are the key future economic development and regeneration challenges for the area from the Agency's perspective?

5. The 2006 RES & Areas Remote from Growth

5.1 Remoteness from growth is now established as a key economic challenge facing the North West region. The 2006 RES earmarked five areas of the region that were defined as being remote from growth and which warranted specific action to tackle the economic development and regeneration challenges they faced. The approach set out in the RES centred on the promotion of economic activity in these areas and the need to generate jobs given the greater difficulties faced by residents in accessing employment in the North West's main growth engines.

Background and Rationale

5.2 At the outset, it is important to understand the rationale behind the inclusion of the remote areas from growth as a distinct category of area in the RES. This rested on some well established evidence that the remote areas had not benefited from the employment growth and investment which had been a feature of economic performance during the 2000s in the stronger parts of the North West economy. The baseline evidence for the 2006 RES highlighted both similarities between the five areas and some significant differences. These are summarised as follows:

Pennine (East) Lancashire

5.3 The RES baseline pointed to its 'relative isolation' and to the need for the area to find future economic roles. While places such as Burnley appeared to have experienced some benefits from their proximity to employment growth areas (eg. Manchester) in terms of their record in reducing worklessness, the overall picture was one of comparative economic weakness. The area was characterised by the persistence of a low skilled, low wage economy. Among the features of the area described in the baseline were:

- The twin challenges it faced from housing market failure and poor employment prospects. The underlying weakness of its economy needed to be addressed in conjunction with housing market measures.
- Particular dependence on the manufacturing sector particularly dependent on the manufacturing sector which was forecast to see considerable employment losses.
- Sluggish growth in GVA in the Lancashire sub-region which was causing the area to fall further behind the regional average.
- High levels of deprivation in many urban areas in East Lancashire, coupled with isolation from employment centres which marked them out from the biggest concentrations of deprived communities in the region located in the core urban areas of Greater Manchester and Merseyside.
- A high stock of previously developed land (PDL), a problem across the North West, but with East Lancashire facing the additional problem of low demand for employment uses.

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

- Significant differences in growth rates between parts of East Lancashire and the more dynamic area around Preston.

Cumbria

5.4 The position in Cumbria was clear cut in the evidence base. The economic scenarios which underpinned the evidence base painted a bleak picture for the Cumbrian economy. It was described as being geographically remote from other parts of the North West and more self contained, in part because of its location and the fact that labour market flows with the rest of the region were very limited. It is therefore least well placed to benefit from growth in other parts of the region.

5.5 The baseline distinguished several challenges for the Cumbria sub-region and individual areas within it:

- Away from the rural-urban fringe, the more remote areas of Cumbria were described as having poor economic prospects in general in part due to economic restructuring but also the issue of accessibility to markets and labour. Limited access to employment, services and a lack of affordable housing were seen as endangering the high quality of life frequently associated with these areas.
- A related issue of dependence on a few key sectors and a small number of major employers within them (nuclear, defence, agriculture), meaning that the area was unlikely to benefit much from expansion and growth in rest of region. Particular reference was made to the run down of the nuclear sector on the West Coast and the poor future prospects (at the time) of that industry. However, nuclear decommissioning along with the winning of new orders for Barrow's shipyards have seen these sectors become regarded again as key opportunities for the sub-region.
- Limited access to international flight connections from the region's major airports.
- Barrow's recent record of generating some employment growth was recognised in the RES baseline, but so were its difficulties in making significant inroads into reducing worklessness. Data suggest that this position has significantly improved in the intervening period.
- Lower levels of participation in higher education than in other parts of the North West.

5.6 For both Cumbria and East Lancashire, the challenges identified in the RES baseline were especially difficult in policy terms because of the balance needed between efforts to generate employment and link people to jobs, and action to increase productivity levels. The baseline work suggested that there should be 'very specific' policy responses for both areas individually. For Cumbria, these possible responses were along the following lines:

- Action to capitalise on Cumbria's unique quality of life in a regional context, particularly with the advent of good ICT broadband connectivity.
- The ability to attract knowledge intensive sectors (due to the small size of the labour pools) is realistically limited and may need to focus on small businesses where

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

owner managers choose to locate.

- In West Cumbria opportunities from the Nuclear Decommissioning Authority were already being explored, although this was seen as unlikely to replace the large number of jobs which to be shed at Sellafield over the next 10-15 years.
- Opportunities to continue to harness tourism opportunities and increase the economic value of tourism, especially in areas adjacent to the Lake District (e.g. Hadrian's' Wall, coastal areas).

5.7 For East Lancashire, described as a 'vulnerable' area in the RES baseline, the implication was that it needed to benefit from a range of initiatives in the sub region. Responses included:

- Facilitating the growth of Preston and the area around it as an employment centre for the sub-region.
- Specific policy responses to establish the future role of the area given the continued contraction of its manufacturing base.

Blackpool

5.8 The town of Blackpool is earmarked as a priority in the 2006 RES, principally on the grounds of its high concentrations of economic and social need, alongside the major opportunity that was presented by the town's bid to become an international casino resort. Blackpool continues to be beset by high levels of deprivation, with much of the town in the 10% most deprived areas of the country according to the 2007 Index of Multiple Deprivation. In late 2007, close to 30% of residents were classified as being economically inactive.

5.9 While it has not been designated a housing market renewal area, studies have concluded that the town's high volume of low quality, private rented housing stock (3,500 houses in multiple occupancy) is exacerbating socio-economic problems through high levels of churn in the working population.

5.10 The Blackpool Masterplan and the economic future of the town were anchored by its bid to secure a super casino, becoming in the process a major European destination for this element of the leisure industry. The town's failure in the race to land the super casino triggered the establishment of a Task Force whose July 2007 report recommended a comprehensive programme of place making investments to raise the quality of the resort and diversify its economy.

Lagging Rural Areas

5.11 These are areas, in some cases adjacent to other remote industrial areas, which are lagging in economic and social terms both because of a lack of local economic drivers, but also because they are remote from major employment centres and so do not benefit from the commuting and other links to these urban areas (although the impact of commuting on rural areas can and does generate other issues such as housing affordability).

Regional Economic Strategy 2006

- 5.12 In the final version of the 2006 RES, the geography of the North West's remote areas was set out in RES actions under the *People and Jobs* theme. The focus of action was chiefly on five Action Areas (Actions 47-51) within the *People and Jobs* theme under the *Stimulating Economic Growth in Areas Remote from Growth* heading. In addition, Actions 52 and 53 are in part targeted at remote areas. These actions are set out in Table 5-1 below.

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

Table 5-1: North West Regional Economic Strategy 2006: Actions for Remote Areas		
Action	Description	Reason
47	Develop and implement an integrated economic plan for East Lancashire including support for advanced manufacturing and improved accessibility to growth in Preston and Manchester.	East Lancashire is a regional/national HMR priority. Central to creating sustainable communities is the need to restructure the area's very low performing economic base.
48	Implement the Blackpool Masterplan, including Blackpool as the priority location for regional casino development in the UK.	Blackpool is a key regional/national tourism asset, but with major concentrations of economic and social need. Regeneration is needed if it is to compete in the international market place for visitors and investment.
49	Develop and implement the Barrow Masterplan, including support for marine & leisure developments.	There are major opportunities to diversify the area's economic base, to help to close the gap in economic performance.
50	Develop and implement an integrated economic plan for West Cumbria, including support for nuclear decommissioning activity.	Nuclear decommissioning offers opportunities of regional/national significance, important to improving the fragile economic prospects of the area, as well as developing a strategic regional response to the issue.
51	Diversify the economic base and support sectors with growth potential in the rural economy, focusing on the lagging rural areas of Allerdale, Copeland, Lancaster and West Lancashire.	These are areas with a significant rural population, where there has been consistent under-performance and where there is disadvantage recognised by DEFRA.
52	Develop and encourage employment creation in or near deprived areas, focused on: <ul style="list-style-type: none"> ● HMR areas ● URC areas ● Halton and Knowsley 	Part of the solution to the problems of deprived areas is to encourage employment into those areas. These areas are either remote from growth or with low employment rates. Large employment sectors offer good opportunities due to their widespread local presence.
53	Develop business start up and support services focused on: <ul style="list-style-type: none"> ● HMR and URC areas ● Halton and Knowsley 	These areas are either remote from growth or with low employment rates where business start-up can support employment and delivery of quality local services. Key issues include support to social enterprises and voluntary/community sector activities with the potential to become sustainable enterprises.

● **Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper** ●

- 5.13 The RES clearly points to several shared regeneration and economic development challenges which should be the focus of sustained intervention by the NWDA and a wide range of partners. However, the document also made it clear that they faces some problems which distinct to their location, industrial background, population, economic base etc.

Implementing the 2006 RES

- 5.14 The key focus for the Inquiry’s research has been how the RES actions identified for areas remote from growth have been implemented in practice. This has been the focus of the consultations and desk based work carried out during the preparations for the Special Hearing.

Overall NWDA Expenditure

- 5.15 At this point, a summary of NWDA expenditure in the case study areas is available from the research and provides useful background information for the R&S Group ahead of the Special Hearing. Regeneris Consulting received project expenditure data from the NWDA for the period from 2003/04 onwards. This section summarises in Tables 5-2 to 5-6 the data on total expenditure, Single Programme Expenditure, and other programme expenditure identified by the Agency.

	2003/04	2004/05	2005/06	2006/07	2007/08	Total project spend (all years)
Barrow in Furness	8.5	7.6	6.1	6.0	1.8	30.0
West Cumbria	6.7	7.0	6.6	4.8	4.9	30.0
WLR Expenditure	0.4	5.3	11.2	15.0	19.8	51.7
Pennine Lancashire	20.5	18.0	17.3	16.4	21.2	93.5
Total direct expenditure in case study areas	36.1	37.9	41.2	42.2	47.7	205.2
Cumbria	10.1	14.1	14.8	16.5	27.0	82.5
Lancashire	9.5	11.5	11.5	11.7	5.6	49.9
Total expenditure including wider sub-regional projects	55.7	63.6	67.6	70.4	80.3	337.6

Source: NWDA

- 5.16 In total the Agency has invested £205 million directly into the three case study areas since 2003. When including projects which are sub-region wide (i.e. not allocated to a particular local authority but potentially support activities within the case study areas) total expenditure rises to £338m. An additional £82 million has been identified as expenditure in Cumbria, some of which will have benefited the case study areas. For example, around £42 million (or 32% of all expenditure) supported the Rural Regeneration Programme which has played an important role in non-urban parts of the case study areas. A further £9m was spent by the Agency on the development of the University of Cumbria which has sites in or links within the case study areas.
- 5.17 Table 5-3 sets the NWDA’s expenditure in the case study areas in the context of overall expenditure in the North West region through per capita expenditure calculations. This is based on spending during the 2007-08 period and the latest available population estimates

● **Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper** ●

(2006). This suggests that, with West Lakes Renaissance spending added in, per capita expenditure in Barrow and West Cumbria areas is significantly higher than either the figures for Pennine Lancashire or the North West. However, it should be noted that the Pennine Lancashire data does not include some expenditure in the area which is identified as sub-regional in the data made available to the Inquiry.

	Population (2006)	Expenditure 2007/08 (£millions)	Per Capita Expenditure
Barrow	71,800	1.8	£25
West Cumbria	164,600	4.9	£30
West Lakes Renaissance + Barrow & West Cumbria		19.7	£112
Pennine Lancashire	526,000	21.2	£40
North West (NWDA)	6.85 million	393.0	£57

Source: NWDA and Mid Year Population Estimates, ONS Crown Copyright Reserved

5.18 The story over time has been a gradual increase in the level of single programme funding for the three areas at the same time as other programmes (including legacy funds such as Single Regeneration Budget) have been scaled back. This shift in programme expenditure is outlined in Table 5-4 below.

	2003/04	2004/05	2005/06	2006/07	2007/08
Single Programme	21.3	39.3	47.9	54.5	66.7
Other Programmes	34.4	24.3	19.7	15.9	13.6
Total Expenditure	55.7	63.6	67.6	70.4	80.3
	2003/04	2004/05	2005/06	2006/07	2007/08
Single Programme	38%	62%	71%	77%	83%
Other Programmes	62%	38%	29%	23%	17%
Total Expenditure	100%	100%	100%	100%	100%

Source: NWDA

5.19 A breakdown of Single Programme expenditure by geographical area is provided in Table 5-5 below. This shows a level of expenditure in the case study areas which is broadly similar to expenditure for each of the respective sub-regions as a whole.

Area	2003/04	2004/05	2005/06	2006/07	2007/08	Total project spend (all years)
Barrow in Furness	3.9	6.1	4.8	3.9	0.5	19.2
West Cumbria	0.3	2.9	1.7	1.6	1.8	8.4
WLR Expenditure	0.4	5.3	11.2	15.0	19.8	51.7
Pennine Lancashire	4.8	4.8	5.3	6.5	12.9	34.2
Total direct expenditure in case study areas	9.4	19.1	23.0	27.1	34.9	113.5
Cumbria	8.2	13.3	14.6	16.4	27.0	79.5
Lancashire	3.8	6.9	10.3	10.9	4.8	36.8

● **Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper** ●

Total expenditure including wider sub-regional projects	21.3	39.3	47.9	54.5	66.7	229.7
--	-------------	-------------	-------------	-------------	-------------	--------------

Source: NWDA

5.20 The data provided for the study indicate that substantial numbers of projects have been supported by the NWDA in both of the case study areas over the 2003-08 period:

- A total of 158 projects have been identified for the six Pennine Lancashire districts, with a further 60 identified for Lancashire as a whole where some of the expenditure may benefit Pennine Lancashire.
- A total of 129 projects in Allerdale and Copeland.
- A combined total of 76 projects in Barrow-in-Furness and South Lakeland.
- A sub-region figure of 65 projects for Cumbria, some of which will directly benefit the case study areas.

5.21 The information provided to the Inquiry classifies the projects according to the funding stream. Consequently, it has been necessary to apply the RES themes to the data to obtain a broad picture of the split of NWDA expenditure across different types of intervention. The headline findings of this analysis are presented in Table 5-6 below.

RES Theme	Barrow	West Cumbria	Pennine Lancashire	Lancashire	Cumbria	Total	Share
People and Jobs	17.6	12.6	55.0	14.6	94.1	194.0	57%
Business	5.9	2.7	4.2	20.8	14.0	47.5	14%
Infrastructure	4.2	4.5	8.0	4.4	11.2	32.3	10%
Quality of Life	0	2.9	10.4	1.2	2.0	16.5	5%
Skills & education	0	1.0	4.8	0.1	9.6	15.4	5%
Legacy (No fit)	0	0	0.5	0	0	0.5	0%
No fit	2.4	6.4	10.7	8.9	3.2	31.5	9%
Grand Total	30.0	30.0	93.5	49.9	134.2	337.6	100%

Source: NWDA

5.22 The data indicate that by far the biggest single category of expenditure encompasses projects defined under the **People and Jobs** theme of the RES, which includes actions 41-62. Analysis of the data suggests that this is accounted for by the following factors:

- West Lakes Renaissance (£51.7 million) and Rural Regeneration Cumbria (£42.3 million) account for just under 50% of all project expenditure identified by the study. This support in turn provides a source of funding for a wide range of projects in Cumbria.
- SRB Round 6 projects, which also operated by allocating a pot of funding across a range of interventions in an area, account for £60 million or 30% of the total.
- A wide variety of other projects are listed under this heading and further work is needed to understand the nature of the interventions supported. They appear to

● **Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper** ●

range from market towns funding through to capacity building support for local partnerships.

5.23 Other notable categories of expenditure include the **Business** and **Infrastructure** themes which together account for £75 million of expenditure over the 2003-08 period. The main features of this expenditure include:

- Funding for core Alliance for Skills and Productivity contracts in Cumbria (£14.8 million) and Lancashire (£7.9 million).
- Major investments to support large employers (eg. BAe Systems, Kimberley Clark).
- Lancashire's broadband action plan implementation (£2.6 million).
- Investments in a range of social enterprise projects.
- A substantial number of Selective Finance for Investment in England grants and Grants for Research and Development are also listed under the **Business** heading. These represent the channelling of funds to businesses in the case study areas.
- Major items under the Infrastructure heading appear to be a combination of investment in the development of employment sites (eg. Barrow Call Centre, £4.2 million) with funding to build the capacity of sub-regional partners (eg. Cumbria Vision costs, Lancashire Sub-Regional Capacity Fund, ELLCHEX/PLACE economic development programme core team).

5.24 The emerging picture of NWDA expenditure to stimulate economic activity in the areas remote from growth is one of a small number of large projects, along with the distribution of funding across a broad array of smaller projects, including those supported by the URCs and other economic development and regeneration vehicles. Questions about the appropriateness of this distribution of resources, its impacts to date and barriers to the NWDA and partners being able to allocate and spend funding were raised during the course of the research for the Inquiry. They should also be a focus for discussion at the Special Hearing.

6. Case Study 1: Pennine Lancashire

Current and Recent Performance

- 6.1 For Pennine Lancashire, the key economic challenges for the area revolve around the struggle it has faced in capturing new investment and creating new employment as its manufacturing base contracted over a long period. Between 2000 and 2006, the employment rate in Pennine Lancashire fell by 1 percentage point, compared to a regional growth rate of 2 percentage points over the same period. As Table 6-1 underlines, the area now lags behind the North West and England averages, and has not experienced the scale of growth seen in Manchester district (from its lower base).

Area	2000	2001	2002	2003	2004	2005	2006	% Change
Pennine Lancashire	72%	72%	72%	77%	72%	71%	71%	-1%
Manchester	59%	60%	59%	60%	60%	60%	65%	11%
North West	71%	71%	71%	73%	73%	73%	73%	2%
England	75%	75%	75%	75%	75%	75%	74%	0%

Source: Annual Population Survey/Labour Force Survey © Crown copyright material is reproduced with the permission of the Controller of HMSO

- 6.2 Deprivation and the socio-economic disadvantages associated with it remain a major problem for Pennine Lancashire. The area continues to have a comparatively low value economic base, with manufacturing still accounting for over 25% of employment. Individual earnings and household income are also markedly lower than the regional or national averages. As Table 6-2 shows, the position for the area accord to the Index of Multiple Deprivation has worsened since 2004 in all but Ribble Valley district. Blackburn, Burnley, Hyndburn and Pendle have become more deprived according to the index, reflected in the fact that their average ranks across the different domains of the IMD have worsened by 14-18 places.

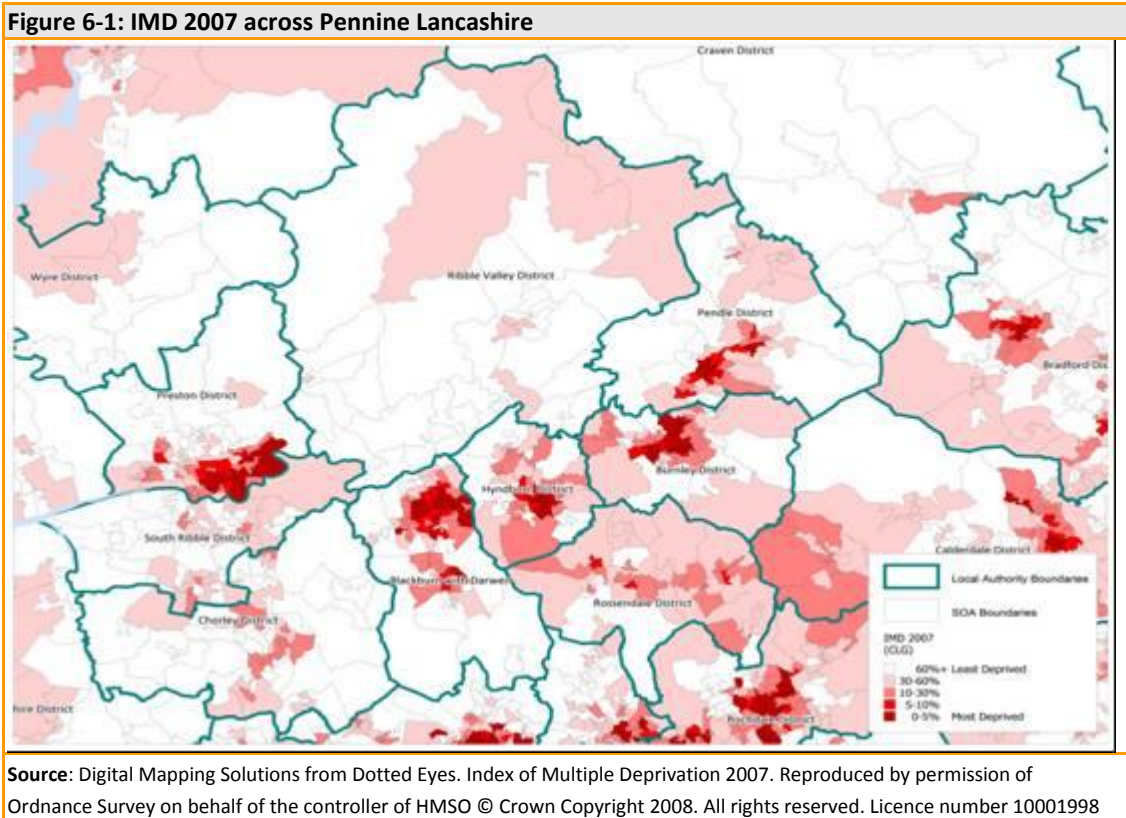
Local Authority	Rank of Average Rank	IMD Percentile (nationally)	Change 2004-2007, Rank of Average Rank
Blackburn with Darwen	27	8%	18
Burnley	31	9%	15
Hyndburn	45	13%	14
Pendle	51	14%	14
Rossendale	85	24%	1
Ribble Valley	296	84%	-13

Note: For IMD change a negative change figure indicates that the district has become less deprived relative to all other districts, a positive figure indicates a worsening deprivation position.

Source: IMD 2007 © Crown Copyright

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

6.3 This deprivation is concentrated in Pennine Lancashire’s main urban areas (Blackburn, Accrington, Burnley, Nelson and Colne), graphically illustrated in Figure 6-1 below.



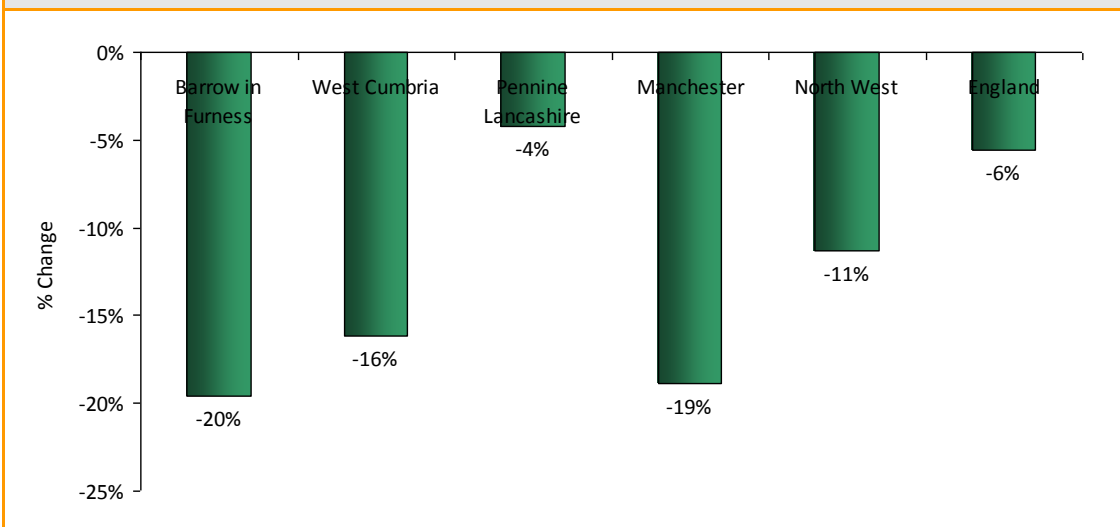
6.4 While Pennine Lancashire has made some progress in reducing levels of worklessness in recent years, it has not seen levels fall at the same rate as either the Cumbrian case study areas or the comparators (Manchester district, North West, England). This underlines both the impact of deprivation in Pennine Lancashire and the challenges that the area has faced in generating new employment and ensuring that more of its residents access employment in other locations.

6.5 The multiple disadvantages associated with deprivation are tied to the weakness of many of the area’s housing markets. Large parts of urban Pennine Lancashire now lie within the Elevate Housing Market Renewal area. Residents of these low demand housing areas face particularly acute problems of economic disadvantage, and investment to clear stock and revitalise areas through the provision of new stock and public realm improvements.

6.6 Transport connections to major employment centres are an important issue in many parts of Pennine Lancashire. Whilst the M65, M66, M6 and M61 offer good road connections to Preston, Greater Manchester and Merseyside, public transport services are widely recognised as requiring improvement. There has been investment in rapid bus services to Manchester, but there is a case for substantially improved rail services from Blackburn, Burnley, Nelson and Colne. For Elevate, the area’s future prospects of diversifying its housing stock and population rest in part on its ability to greatly improve travel to work links with major employment centres.

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

Figure 6-2: Percentage Change in Worklessness in Case Study and Comparator Areas, 2000-06



Source: Annual Population Survey/Labour Force Survey © Crown copyright material is reproduced with the permission of the Controller of HMSO

6.7 Looking to the future, long term employment forecasts have pointed to a future of so-called ‘jobless growth’, where productivity and the value of economic activity is expected to increase without an expansion in the number of jobs. While there have been some success stories in efforts to stimulate local enterprise development (eg. by Blackburn with Darwen Council), the need for a push to generate higher rates of entrepreneurship has been recognised by the award of £23.4 million Local Enterprise Growth Initiative funding.

Emerging Messages

6.8 Analysis of the key data for Pennine Lancashire together with a series of consultations has highlighted the following emerging messages for the Inquiry.

How is remoteness from growth understood in the area?

6.9 Geographical remoteness is not universally recognised as a problem in Pennine Lancashire. On the face of it, Preston is only 16 miles (c.20-30 minutes) from Blackburn and well connected to it via the M65 and by rail. Southern parts of the area are geographically close to Manchester district (eg. Rawtenstall is 18 miles, c. 30 minutes, from central Manchester by road. While places such as Nelson and Colne (c. 30 miles or 45 minutes by car from Central Manchester, 30 miles or 35 minutes from Preston), there is a view is that these areas could capitalise more on reasonably good accessibility to those employment centres by better exploiting the quality of life they offer in attractive rural settings. But these nominal journey times are a best case scenario, and the reality of road congestion and rail links makes actual connections more problematic.

6.10 Four main issues relating to ‘remoteness’ have been identified by the Inquiry in Pennine Lancashire:

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

- How road and rail links function at peak times. Train journeys are seen as a problem both in terms of frequency and speed. For example, Colne is 1hr 7 minutes by train from Preston, and at best 1hr 45m from Manchester Piccadilly. The difficulties for rail travellers from Burnley, Nelson and Colne in having to reach Manchester via a change in Blackburn are widely recognised. As one consultee observed, the most frequently cancelled rail service to Manchester is the 0810 from Blackburn. Some of the more rural towns and villages (eg. Bacup in Rossendale) are not connected by rail and involve awkward onward journeys by A road once drivers have left the motorway network.
- A view that cultural attitudes towards travelling to work play a big part in perceptions of remoteness. These are rooted in traditional attachments to communities in the area and reinforced by both the practical difficulties and costs of travelling to employment. Evidence produced by East Lancashire in 2004-05 showed a lack of propensity among lower paid people to travel more than 2km to work.
- A related point about the strength of economic linkages between East Lancashire and Preston. Most of the consultees to the Inquiry referred at some length to the connections to Manchester, but far fewer described the under-exploited relationship to the Preston, Chorley and South Ribble area. Although the 2001 census data on travel to work between Pennine Lancashire and Preston indicated limited flows, the growth of employment in Preston together with aspirations for further expansion of
- The distance from employment centres of some of the most isolated rural areas of Pennine Lancashire. While Ribble Valley is home to some of the region's more affluent communities, there are also pockets of low paid workers who struggle to live in communities they have grown up in and find work.

6.11 The overall picture is mixed: some areas of Pennine Lancashire are clearly well connected to employment centres, although congestion and travel times remain an issue. Other areas are geographically more distant and as a result do have accessibility problems. What is clear from the research so far is that the NWDA and its partners have long accepted the need for more action to encourage people to consider longer travel to work journeys.

6.12 This line of questioning has raised an issue about the challenging task that the NWDA (along with many organisations) has in defining the role of Pennine Lancashire in the North West economy. For some, its function should be to increasingly provide a residential location and source of the workforce for growing employment centres. For others, employment and wealth creation within the area is the key to transforming the areas prospects. The perception is that the Agency appears at times to be uncertain about which direction to take.

6.13 However, this is not an either or issue, and the NWDA along with partner organisations faces the need to balance better external economic linkages with steps to improve the employment and skills base internally if remoteness from growth is to be tackled in a sustained way. These are issues which will become increasingly salient as steps begin to agree a new regional strategy over the next 18 months.

Setting a shared vision and objectives for Pennine Lancashire: what role has the NWDA played?

- 6.14 Pennine Lancashire, and the wider Lancashire sub-region, are characterised by their diversity and by a complex political landscape. While the NWDA and stakeholders in the area have a thorough understanding of its economy, translating this into a coherent vision and objectives has proved to be challenging in this setting. As a consequence, there is no (as yet) clear link from the commitment in the RES to tackle remoteness from growth to a programme of action.
- 6.15 The NWDA and stakeholders in Pennine Lancashire have highlighted that improved partnership working is enabling them to develop a clearer strategic framework for the area. Five activities in particular have been highlighted:
- The emergence of PLACE (formerly ELLCHEX), a grouping of Pennine Lancashire local authority Chief Executives strongly backed by the NWDA which has brought new strategic direction to economic development and regeneration priorities for the area. Consultees have singled out the agreement of an integrated economic strategy for Pennine Lancashire, which sets clear priorities for the area.
 - The proposed Economic Development Company (EDC) for Pennine Lancashire, which is expected to help provide the area with much greater capacity to deliver major projects. The NWDA is also seen as having given its firm backing to this initiative.
 - The strengthening of the connection between the Elevate Housing Market Renewal Pathfinder and the economic context in which Pennine Lancashire's housing markets operate. Partners point to the Agency's role alongside others in supporting this process.
 - The negotiation of a Pennine Lancashire Multi-Area Agreement, which identifies a series of 'key asks' (major projects) for the area and asks for the support of Government and other partners to help deliver them. These include both specific transport schemes designed to improve linkages to Manchester (Clitheroe to Manchester rail link upgrade) and backing for actions to generate many more local employment opportunities (eg. Whitebirk employment site road infrastructure and feasibility studies).
 - The agreement of a Lancashire economic strategy which signalled the commitment of partners through the Lancashire Economic Partnership to commit to a set of key priorities for the sub-region. There are clearly significant differences in the economic characteristics and performance of different parts of Lancashire. But there does appear to be a tendency to show how any sub-area priorities contribute to objectives set at Lancashire level.
- 6.16 Many consultees have expressed the view that the vision and objectives for Pennine Lancashire have come from the 'bottom up', driven by improved collaboration between local authority districts, other public sector and key private sector representatives in the area. This is most apparent in the agreement of the new Integrated Economy Strategy, together

● **Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper** ●

with the MAA, housing, skills/training and spatial strategies. Maintaining this level of coordination is seen as an important factor in driving forward the area’s economic development and regeneration.

What have been the principal interventions in Pennine Lancashire, and how has the NWDA supported them?

6.17 The overriding message from this line of enquiry has been that partners have highlighted few big ticket schemes which are directly and strongly associated with NWDA support. However, partners have pointed to the following initiatives as both good examples of Agency backed schemes as well as an indicator that it seems increasingly prepared to lend its weight to major initiatives. The list combines schemes that the Agency has funded with those that are regarded as key schemes for which the Agency’s influence has either been sought or received. Those initiatives include:

Table 6-3: Examples of Key Projects for Pennine Lancashire	
Project Name	Nature of Project
Burnley College HE/FE Campus	Provision of new facilities to help extend the HE/FE offer in the area, cementing the presence of UCLAN in Pennine Lancashire.
Blackburn Town Centre Renaissance	Upgrading the town centre including substantial public realm work. Scheme reported to have levered in £16 million of private investment.
Former Michelin site development, Burnley	Funding for the purchase and redevelopment of the Michelin tyre factory site for enterprise. The site has been identified as a strategic regional site.
Whitebirk employment site, Hyndburn	Preliminary expenditure by Agency to assist process of bringing forward this strategic site.
Weaver’s Triangle Development, Burnley	NWDA has provided support over long period to assist in bringing development opportunity on heritage site.
PLACE Programme	Indicative allocation of funding to support development of transformational projects to support HMR pathfinder.
Aeropark, Samesbury	Agency backing transformation of BAe site into location for industry supply chain. Seen as potentially key source of high paid, high skilled new employment for Pennine Lancashire.
Improvement of Clitheroe-Manchester rail link	Partners seeking Agency’s influence to develop and communicate case to Government (DfT) for the upgrade
Blackburn Knowledge Quarter	Agency funding to be sought for development of area of town earmarked as location for knowledge intensive industry.
University of East Lancashire	Some partners in Pennine Lancashire seeking Agency backing for development of new University for Pennine Lancashire.

6.18 Consultations in Pennine Lancashire have raised several key issues about the nature and scale of interventions in Pennine Lancashire which the Special Hearing might consider.

Land & Property

- 6.19 Pennine Lancashire has very few strategic employment sites and some partners believe they have been slow to be brought into use. Experience with the Michelin site and Whitebirk are cited as examples of the difficulty which partners face in seeing large scale and complex employment sites developed. The need for a better understanding of the type of land and premises which businesses in the area require has also been highlighted.
- 6.20 However, several examples have been highlighted of large and smaller scale projects supported by the Agency which have enhanced the area's stock of sites and premises. For example, in Rossendale, the Agency has supported (£1 million) the development of the Kingfisher Business Centre, a comparatively small scale but significant addition to the district's capacity to accommodate enterprise. In Burnley, the Agency has been very active in pursuing the development of the Michelin site and has backed the mixed use development at Finsley Wharf.
- 6.21 When pressed on the barriers to delivering major land and property projects, consultees have tended to cite factors internal to the area as well as to the Agency. These include:
- A lack of project development and management capacity, now widely regarded as a challenge for the regeneration sector in general. The Agency has provided funding to build this capacity through a number of channels including funding to LEP, support for the PLACE programme and assistance to specific districts such as the funding for Rossendale Borough Council to develop its regeneration team.
 - The need for the Agency to consider whether its support for the development of some strategic sites fits with the emerging economic vision for Pennine Lancashire. For example, given the current emphasis on advanced manufacturing and the aerospace industry, how do employment sites in the pipeline fit the requirements of this sector?
 - Particular difficulties in finding the right combination of sites and employers to occupy them. Partners recognise that major commercial HQ operations are unlikely to locate in Pennine Lancashire. This makes NWDA backing for employment sites and premises in the area a more challenging proposition than would be the case in South Manchester, North Cheshire and other key employment centres in the North West.
 - This challenge is compounded by the process of trying to secure employment end uses for the area's large stock of brownfield land when recent market conditions have tended to favour housing.
- 6.22 The emerging message for the Agency about interventions and land and property appears to be that a combination of a more strategic approach to the designation and development of major sites would be welcomed, along with continued support for smaller scale schemes which may be valuable contributions to employment generation in particular localities.

Transport

- 6.23 The NWDA is limited in the funding it can provide for transport related schemes. Clearly, it offers financial backing for infrastructure development (eg. Whitebirk M65 junction improvements) where these underpin the development of an employment site. It also provides funding for regeneration around transport interchanges. Partners have raised a number of issues under this heading:
- The need for the NWDA to give stronger backing to key schemes including the £8 million investment sought from the DfT to upgrade the Clitheroe-Manchester rail line.
 - Greater recognition of the long term importance of investment in transport infrastructure, including other rail links from the area to Manchester (eg. Todmorden curve reinstatement, extension of rail services to Rawtenstall.
 - The need for the Agency and its partners in Pennine Lancashire to better understand and quantify the potential impacts of transport investments as part of a stronger case making process.
- 6.24 The potential for more investment in transport to tackle remoteness from growth is clear but is seen as presenting particular difficulties given the tight control exercised by the DfT and the multiple and competing demands on public bodies for what are often costly capital investments. The issues for the Inquiry to consider are whether (and if so how) the NWDA could do more to assist partners in bringing key schemes to fruition, especially if it takes on regional planning responsibilities. With a second round of the regional funding allocations process approaching, priority projects which tackle remoteness from growth are particularly relevant.

Support to Manufacturing

- 6.25 This sector remains a key source of employment in Pennine Lancashire and a critical part of the area's industrial future. The recently agreed manufacturing strategy for Lancashire crystallises the sub-region's position on the role that advanced manufacturing is expected to play in its economy.
- 6.26 The NWDA is acknowledged to be investing extensively to support the sector. Consultees have highlighted its work with BAe systems to support supply chain development for the aerospace industry, its emerging role in the Aeropark initiative and the broad swathe of funding support it has channelled to manufacturing businesses. The aerospace industry is seen as particularly critical, given the £77,000 GVA per job in the industry compared to average GVA per job of £12-15k in Blackburn.
- 6.27 With the NWDA now pivotal to the future of business support provision in the North West, partners believe that the Agency should be looking at how support for high growth business can better serve advanced manufacturers in Pennine Lancashire. The emerging message is that the Agency should continue to focus its efforts on support for the higher value segment of the sector over the long term.

Education and Skills

- 6.28 Significant funds are channelled into Lancashire via Agency support for ASP activities, and the Agency provided match funding for City Employment Strategy activity in Blackburn.
- 6.29 However, consultees have neither suggested that the Agency is instrumental in promoting skills and training in Pennine Lancashire, nor for the most part indicated that it should be a more prominent force on this agenda. The NWDA's backing for partnership activity and its participation in key sub-regional skills partnership working appear to be its chief contributions outside of the ASP funding. The development of a skills strategy by LEP is expected to help sharpen the focus of this partnership working.
- 6.30 The exception is higher education, which has been a recurring theme of the research. Many consultees have pointed to the weakness of Pennine Lancashire's higher level skills base, reflecting the historical lack of HE infrastructure in the area, a tendency for many of the brightest young people to leave the area and low educational aspirations and attainment.
- 6.31 Clearly, the NWDA has allocated significant resources to backing the expansion of HE provision in Pennine Lancashire, notably for the UCLAN Burnley campus. This represents a bold step in the face of both other HE development proposals for the area and the drawn out and potentially risky process of creating new HE facilities. The key test will be whether the provision of new facilities will make a significant difference in attracting and retaining graduates, a difficult proposition given the limited range of graduate level employment opportunities available in the area.

The Significance of Governance and Politics

- 6.32 The lengthy process of developing strategic priorities for Pennine Lancashire is indicative of the important role that governance and politics continue to play in economic development and regeneration in the area. Partners in the area have made strides forward in agreeing to coordinate their activities (eg. City Region Development Programme, Lancashire Economic Strategy, MAA). However, there is recognition that duplication (or the potential for it) remains a problem and may negatively influence the Agency's view of what the area is capable of delivering. A number of specific points have been raised about these issues:
- The perception that the Agency is increasingly looking for a sub-regional view of delivery, and that strategy and action planning in Pennine Lancashire should be set in the context of priorities for Lancashire.
 - An alternative approach which suggests that Pennine Lancashire is a functioning economic unit (a position recognised by PLACE) and that this provides the rationale for a sub-area strategy and delivery vehicle in the form of the EDC.
 - The perception that changes to the NWDA's operations in Pennine Lancashire, particularly the change from an Area Manager to a Policy and Partnerships Manager may have reduced the Agency's 'on the ground' presence and the benefit of his extensive experience of partnership work in the area. However, other consultees have pointed to the involvement of senior NWDA personnel (Chair, Chief Executive) in key initiatives in Pennine Lancashire.

Lessons for the Future

- 6.33 Consultees to the Inquiry have sought to highlight a disparate array of lessons from the Agency's contribution to economic development and regeneration in Pennine Lancashire.
- A view that the NWDA should be less risk averse (ascribed by consultees to its funding cycles and to the appraisal and approval processes it operates). Initiatives such as the 'Adrenaline Gateway' are seen by some partners as risky but also potentially highly beneficial to the area and the perception is that the Agency has difficulties backing such schemes. The Agency's project approval mechanisms are seen as too rigid, and some partners have suggested that delivering big ticket projects with limited life pots of funding is difficult. There is also a view that the tight project financing procedures adopted by the NWDA also tend to result in micro-management.
 - A related view that the target outputs and outcomes framework for the Agency forces it to adopt too narrow a perspective on economic development and regeneration. For example, the target framework does not easily allow environmental quality to be taken into account in determining whether an initiative meets funding criteria. The imminent shift to a more outcome based framework for the Agencies should significantly reduce these restrictions.
 - As Pennine Lancashire strengthens its capacity to speak with one voice, the Agency should look to reduce the breadth of project activity it funds in the area and assist partners in taking a more selective and strategic approach. Backing for the EDC is seen by a number of partners as critical to achieving a step change in the area's ability to devise and deliver high impact projects.
 - Looking forward to the implementation of the Sub-national Review, a view that it should lead the NWDA to delegate funding to partners in Pennine Lancashire to enable them to deliver a programme of activity.
 - Suggestions that the NWDA should more systematically invest in the development of ICT infrastructure in Pennine Lancashire, particularly the extension of broadband coverage. Consultees have suggested that this offers an opportunity to support the growth of small enterprises and capitalise on recent trends towards so called lifestyle businesses as entrepreneurs look to start up new businesses in attractive rural settings. Ribble Valley is already an important location for this type of enterprise.
 - The need for a Lancashire presence on the NWDA's Board, since it is perceived by some consultee organisations to lack this high level representation.
- 6.34 These emerging lessons from the Agency's activities in Pennine Lancashire are translated into a series of proposed questions for the Special Hearing to consider set out in Section 3 of this briefing paper.

7. Case Study 2: West Cumbria and Barrow/Furness

- 7.1 The research for the case studies has covered two distinct areas of Cumbria: West Cumbria, taking in Allerdale and Copeland districts and Barrow and the Furness peninsula. The focus of the consultations and background research has been on the coastal towns in the two areas, where there are long standing challenges associated with dependence on a small number of key sectors, industrial decline and deprivation. For the purposes of this briefing note, the key research findings are reported in this section for both the Cumbrian case study areas. The final report will deal with the two areas separately.

Current and Recent Performance

- 7.2 The two areas have distinct economies and labour markets. However, the feature they share in common is a reliance on one major sector and employer. There has been more success in diversification away from this core economic activity in Barrow than in West Cumbria.

Barrow and the Furness Peninsula

- 7.3 Barrow and the Furness peninsula have received substantial public sector investment in recent years to assist an economy which has seen significant falls in employment. This included the past loss of shipyard jobs at BAe systems, the town's key employer. The town has been locked into a circle of low incomes, a lack of employment opportunities, poor housing, below average educational achievement and poor standards of public health.
- 7.4 Situated over 35 miles by road from the M6 and a similar distance from the West Coast Mainline for rail services, the area is clearly hampered by geographical remoteness. This puts an added onus on the need to encourage inward investment into the area, support existing employers and sectors, and stimulate the development of local entrepreneurship. Any significant increase in people travelling to work to major employment centres is unlikely.

West Cumbria

- 7.5 West Cumbria (Allerdale and Copeland districts) is one of the most isolated parts of the North West region and it remains heavily dependent on the nuclear sector. Following a period in the late 1980s and early 1990s when construction activity was at its peak at Sellafield, the scale of economic activity in West Cumbria has been reducing, with gradual job losses in the nuclear sector coupled with losses in steel-making and the chemicals sector.
- 7.6 The West Cumbria taskforce was set up in 2003 to focus on how the area would survive economically after the Sellafield nuclear reprocessing plant is decommissioned over the next 10 years. The taskforce was tasked with developing a new social, educational and economic infrastructure for the area. In tandem with this announcement, an Urban Regeneration Company (West Lakes Renaissance) was set up covering West Cumbria and Barrow.

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

7.7 The economic future of the area remains uncertain and is tied up with decisions about possible new nuclear power stations, the rate of decommissioning activity and the work of the Nuclear Decommissioning Authority.

Employment

7.8 The recent performance of the two areas in generating employment belies this downbeat analysis and compares favourably to Pennine Lancashire and other comparator areas (Manchester, North West and England). The data show a 10 percentage point change in Barrow in Furness and a 4 percentage point change in West Cumbria.

Table 7-1: Employment Rates in Barrow in Furness, West Cumbria and Comparator Areas, 2000-06.

Area	2000	2001	2002	2003	2004	2005	2006	% Points Change
Barrow in Furness	60%	67%	65%	67%	71%	70%	70%	10%
West Cumbria	71%	68%	67%	77%	72%	74%	75%	4%
Manchester	59%	60%	59%	60%	60%	60%	65%	11%
North West	71%	71%	71%	73%	73%	73%	73%	2%
England	75%	75%	75%	75%	75%	75%	74%	0%

Source: Annual Population Survey/Labour Force Survey © Crown copyright material is reproduced with the permission of the Controller of HMSO

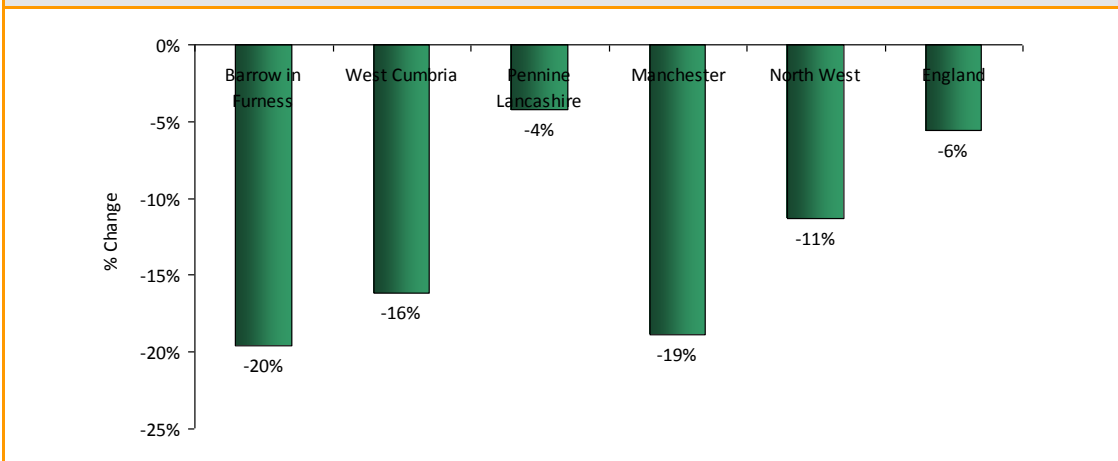
7.9 The story for Barrow has been of significant recent improvements attributable to BAe Systems having secured new orders. The company has benefited from a positive past two years with an order book which has seen the company grow its workforce, with contracts for submarines and elements of air craft carriers.

Worklessness

7.10 The apparent improvement in the employment rate of the two areas is borne out by data on worklessness (Figure 7-1) which suggests that considerable strides have been made in tackling the problem between 2000 and 2006.

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

Figure 7-1: Percentage Change in Worklessness, Barrow in Furness, West Cumbria and Comparator Areas, 2000-06



Source: Annual Population Survey/Labour Force Survey © Crown copyright material is reproduced with the permission of the Controller of HMSO

Deprivation

There is a mixed picture for the two case study areas on deprivation measures. The 2007 IMD data indicate that both Copeland and Allerdale have seen an improvement in their position in the index, suggesting a slight easing of deprivation. Allerdale has seen its position improve by 20 places, while Copeland has seen a 6 ranking places improvement. However, Barrow in Furness has slipped further by 3 places and remains in the top 10% most deprived places nationally according to the index.

Table 7-2: Index of Multiple Deprivation, Barrow in Furness and West Cumbria, 2007

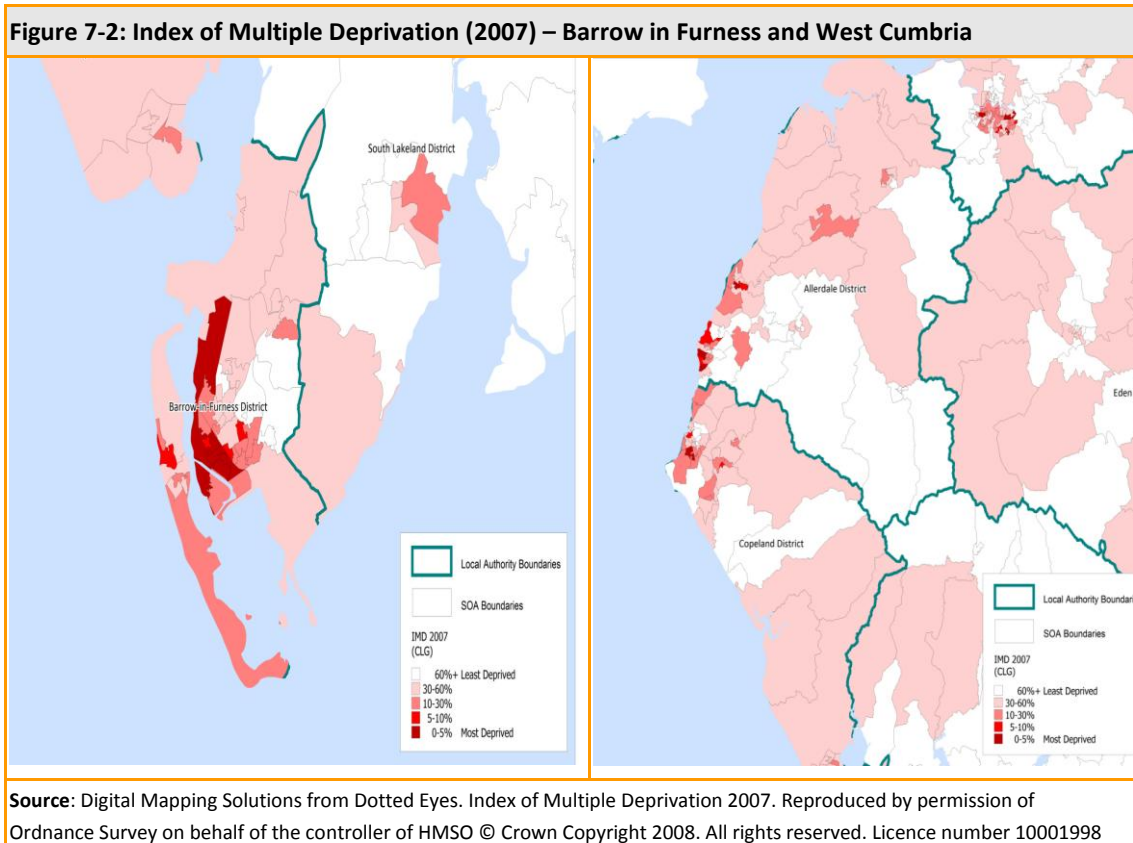
Local Authority	Rank of Average Rank	IMD Percentile (nationally)	Change 2004-2007, Rank of Average Rank
Copeland	79	22%	-6
Allerdale	132	37%	-20
Barrow-in-Furness	32	9%	3

Note: For IMD change a negative change figure indicates that the district has become less deprived relative to all other districts, a positive figure indicates a worsening deprivation position.

Source: IMD 2007 © Crown Copyright

- 7.11 The concentration of deprivation in urban areas including Workington, Maryport and Whitehaven in West Cumbria, along with much of the Barrow in Furness area, is clearly illustrated in Figure 7-2 below.
- 7.12 This brief review of some of the key data about the two Cumbrian case study areas shows that, although their performance compares favourably to that of Pennine Lancashire, they continue to face the challenges which the 2006 RES identified as being characteristic of areas remote from growth

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●



Emerging Messages

How is remoteness from growth understood in the two case study areas?

7.13 Both Barrow and West Cumbria are geographically distant from the North West’s major employment centres and travelling to work in these centres is not a realistic prospect for the overwhelming majority of their resident populations. Internally, a key issue for businesses is how transport infrastructure affects their access to a workforce. The main issues raised by consultees have been the following:

- Problems of internal connectivity, particularly the long journey times from the south to the north of Cumbria and accessibility to the motorway network, to west coast main line rail services and to international air services.
- The high level of self-containment of Barrow, which is seen as having comparatively weak economic linkages with other areas even of Cumbria.
- A similar story for West Cumbria, which consultees have suggested has its own economic drivers rather than an approach which links it to other areas of the region.
- While the advantages of having a URC are widely accepted, geography makes it difficult to treat the area as a coherent whole. The 1.5hr journey time between Whitehaven and Barrow exemplifies the problem.

● **Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper** ●

- 7.14 Despite the peripheral nature of the two case study areas, consultees have pointed to some NWDA backed success stories in developing better economic linkages. The most notable are the Agency's efforts to promote the Barrow area regionally, nationally and internationally, emphasising the presence of a major advanced manufacturer in the town in BAe Systems; while the support the Agency has given to the development of West Cumbria's Energy Coast Masterplan also exemplifies this.
- 7.15 The Agency is perceived to have taken an approach which sees Cumbria developing and promoting its own growth based upon its strengths rather than attempting to create new linkages to the North West's city regions. Other important projects which the NWDA has supported to tackle the peripheral nature of the Cumbrian economy include the development of the University of Cumbria, and support to develop and improve broadband infrastructure for home and business use.

Setting a vision and objectives for Barrow and West Cumbria: What role has the NWDA played?

- 7.16 The Agency has, for a number of years now, been a key player in attempts to bring forward a coherent vision and set of objectives for West Cumbria and Barrow. Significant work has been supported by the Agency and West Cumbrian and Barrow partners to achieve this end. This included the work undertaken as part of the West Cumbria and Furness New Visions process, the Barrow Taskforce, West Cumbria Regeneration programmes across Allerdale and Copeland, and importantly the development of West Lakes Renaissance (WLR), the area's Urban Regeneration Company (URC), and the establishment of Cumbria Vision – the sub-region's strategic lead on economic development.
- 7.17 WLR has been important in working with partners to bring together and fund a wide array of projects, as well as shaping these into coherent programmes of activity focussed across Barrow and West Cumbria. WLR is forecast to fund a £185 million programme of regeneration projects across the area over its lifetime. NWDA, working with WLR and local partners have now brought forward focussed action plans for each area. These plans are strategically aligned at all levels with the RES, the Cumbrian Economic Plan, and WLR's strategic objectives.
- 7.18 Both Barrow (with the Barrow Task Force Action Plan) and West Cumbria (with the Energy Coast Masterplan) now have clear action plans setting out the vision and objectives for each area, and the necessary actions required to achieve this. Many consultees felt that, as a result of these efforts by partners that West Cumbria and Furness was now much better placed strategically to tackle its economic issues.
- 7.19 However, despite these efforts there are still issues to be ironed out regarding the various organisations and deliverers operating across the area. The role of WLR, the Agency, Cumbria Vision, as well as enterprise agencies, local authorities, and the Nuclear Decommissioning Authority (NDA) can be quite a confusing landscape to navigate. The proposals for introducing four area boards and associated delivery teams, put forward by Cumbria Vision, Cumbria County Council and the Agency are regarded by some partners as a means to bring greater coherence.

● **Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper** ●

Barrow

- 7.20 The Agency is perceived to have helped to shape the vision for the area, focussing on higher value manufacturing and engineering, rather than adopting a scatter-gun approach which could have taken hold during periods of decline in the early 2000s. It recognised and acted upon the importance of high value employment to the sub-region's GVA above that of service/tourism employment. The message here is that the Agency has understood the need for Barrow to be self-sustaining given its isolated location, and to build on its existing industrial strengths. Some consultees welcomed the Agency's strategic role which has focussed on both people and place issues (i.e. getting the sites and premises offer improved, working with businesses, working with local people to upskill and take up jobs in the area).
- 7.21 There is recognition that the Agency has played a significant part in promoting transformational change in the area by backing big ticket regeneration projects e.g. the development of Barrow's Marina Village, Ramsden Business Park. BAe Systems in particular, credited the Agency as being critical to enabling better partnership working in the area and a sharper focus among partners on its regeneration needs. The involvement of Steve Broomhead as Chair of the Barrow Task Force has also been beneficial in providing focus and momentum to the taskforce, and to promoting the economic and regeneration needs of the area more widely.

West Cumbria

- 7.22 The story about the NWDA's role in West Cumbria also appears to be a positive one. Alongside West Lakes Renaissance, the Agency is perceived to have brought renewed focus among partners and enabled them to tackle the development of key employment sites and better engage the private sector in public sector led activities.
- 7.23 The Agency itself can point to the investment of resources to bring partners to a position in which they have clearly articulated economic action plans which set out a clear vision for both the west coast and Barrow, enabling others to understand easily what the issues are and what actions are required (e.g. the Energy Coast Masterplan, Barrow Action Plan).
- 7.24 However, as is the case in Pennine Lancashire, communicating a coherent, single message about West Cumbria is a challenge for the Agency and its partners. There are real differences between the area and other parts of Cumbria, and the NWDA faces pressure to ensure that its approach reflects the specific characteristics of West Cumbria.

What have been the principal interventions in Barrow and West Cumbria, and how has the NWDA supported them?

- 7.25 WLR has been one of the principle organisations in undertaking interventions across West Cumbria and Furness which are targeted at re-shaping the economy of this area. The WLR regeneration programme is based around nine themes, with two of these being core themes (Nuclear Opportunities and Industrial Transition), and seven being supporting themes (e.g. sustainable communities, connectivity). This programme of activity is based around economic transformation, but also developing the right supporting conditions for such transformation.

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

7.26 The WLR programme of activity, together with the recently completed Energy Coast Masterplan and Barrow Task Force Action Plan, now provide a strong strategic and delivery framework for West Cumbria and Furness.

7.27 Other organisations are also playing key roles in delivering projects in the area. The Nuclear Decommissioning Authority, for example, is located within West Cumbria and is involved in a range of nuclear related projects, including the development of a community fund for West Cumbria which is spent on socio-economic interventions locally. Enterprise Agencies across both West Cumbria and Furness are also working with other local partners encouraging entrepreneurship and offering a range of business support services and activities through various schemes.

7.28 The following provides a brief overview of the principle interventions which have been undertaken:

Land and Property

7.29 A range of interventions have been identified under this theme, with consultees emphasising the following:

- Barrow Waterfront Business Park and the Marina Village residential scheme. The location of the village close to the town centre and key employment sites (including BAe and the new business park) is all part of delivering Barrow's sustainable communities' agenda. The development of the Ramsden Business Park, which is currently undergoing site servicing work through funding from the NWDA and other public funds. The plan is for 75,000m² of floorspace (B1, B2 and B8). The aim here is to raise the quality of the business park offer and drive up rental values.
- On-going work at Furness Business Park (on the former steel and iron works).
- On-going town centre regeneration activity across West Cumbria in Workington, Maryport and Whitehaven.
- Large scale employment sites across West Cumbria including the development of Lillyhall, Westlakes Science Park and the potential site at Derwent Forest.

7.30 The Agency and its partners have a market making role in Barrow. With low land values in the area it is difficult to attract investors without public sector support as the returns and risks are much higher for the investor. NWDA resources have been instrumental in gap funding a number of land and property projects.

7.31 The position in West Cumbria has been more complex, with West Lakes Renaissance tackling bigger land and property projects (e.g. Derwent Forest, one of the largest brownfield land sites in the country). Many of these projects have required substantial development work, and it has taken time to marshal the resources and capacity to bring forward these schemes, along with agreeing a collective shared vision for them between partners. Agreement on the visions has now progressed significantly.

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

Transport

- 7.32 A number of consultees have stressed the important lobbying role the NWDA has played for road improvements in Cumbria. For BAe Systems, communications linkages are particularly important for a company with a nationwide supply chain to access markets, and for suppliers to bring goods to the company's Cumbria operations. The A590 High/Low Newton bypass is a clear example of the work of Furness Enterprise and NWDA tackling an infrastructure project together, helping to garner support. The Agency has been willing to use its planning team in Warrington to assist in this process, particularly when consultation is being undertaken.
- 7.33 Consultees have also pointed to the willingness of the Agency to take on port related improvements across both the case study areas. It has been active in Workington, Maryport, Whitehaven and Barrow in action to improve ports and regenerate the areas around them.
- 7.34 However, despite these improvements, the geographical remoteness of the area remains striking. At 33 miles from the M6, there are limits to how accessible the area can become to longer distance traffic. Schemes such as the A595 Parton-Lillyhall bypass, backed by key regional partners, have been designed to improve connections between coastal West Cumbria and the M6.

Housing

- 7.35 Without NWDA investment and WLR activity, areas of low demand housing in Barrow would not have been targeted. Land acquisition to support the Furness and West Cumbria HMR programme has been funded with the Agency's assistance, reflecting partners' commitment to working together to develop an improved housing offer.
- 7.36 The aim behind this activity is to help retain young people and young professionals, a key issue for the economy. Currently, Barrow actually bucks the trend with first time buyer properties within reach (2 bed Victorian terraces). However, it is the poor quality of the town centre leisure/retail/culture offer which can put younger people off the town. The WLR project Talented Minds (£2.5m over 3 yrs) aims to tackle some of the issues which affect young people's choices e.g. improving public realm, investing in cultural organisations, investment in sports provision, place-making activities.
- 7.37 The Agency is limited in the resources it can directly channel to housing. However, given the critical role that the housing offer is perceived to play in regeneration in the Barrow area, an emerging message may be the need to find new ways to intervene alongside partners.

Education and Skills

- 7.38 Research for the Inquiry suggests that the NWDA has played an important role in efforts to drive up skill levels in the case study areas. Consultees have pointed to several key developments:
- Agency influence with the LSC to fund training for young people locally, including apprenticeships in deprived areas over the next 10 years (approx 30).

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

- NWDA support with partners has helped to secure the National Skills Academy for Nuclear, part of the National Skills Academy Network, located in Cockermouth.
- Agency funding (approx. £9 million) and lobbying has been key to the delivery of the University of Cumbria. No single district would have had the capacity to bring forward the University project on its own. This is seen as a key transformational project, since it is critical to efforts to attract and retain more graduates and offer industry a better qualified skills base.

7.39 As is the case in Pennine Lancashire, the Agency has found itself faced by multiple demands on its resources to support higher education. Several consultees have suggested that the University of Cumbria development and the Enerigus scheme have blurred provision in the area. However, the message for the Inquiry appears to be that lobbying and influence are the key features of the Agency's role on education and skills.

Enterprise

7.40 With over 5,000 IB claimants in Barrow in Furness district and over 1,000 JSA claimants, enterprise is seen as part of the policy mix to remedy this key challenge. Consultations have singled out a number of initiatives:

- In the Barrow and Furness area, the Agency has clearly been supportive of the work of Furness Enterprise, the local enterprise and business support agency, and many of its projects. West Lakes Renaissance have been supportive and funded worklessness and enterprise projects within Barrow, and across the wider area.
- Projects such as the Enterprise Fund, a project to encourage private sector job creation locally focusing on growth sector are seen as beneficial. However, this is not likely to continue as the region implements the business support simplification process (BSSP).
- Encouraging enterprise is another project highlighted by consultees. This focuses on encouraging young people to start a business.
- Investment in broadband connectivity (through Project Access) is seen as a success story and something capable of underpinning small enterprise development in the two areas.

7.41 The role of the Agency under this theme appears to centre on how its resources are channelled into the area by West Lakes Renaissance. Partners are keen to retain their ability to tailor solutions to the local area, and the Agency may want to consider this issue as the BSSP agenda gathers momentum.

● **Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper** ●

- 7.42 Interventions across West Cumbria and Furness, many of which are supported directly or indirectly by the Agency, appear to be making, or are beginning to make, an important difference to economic, environmental and social conditions in these areas. Interventions are part of a wider strategic and transformational process which all partners are now aligning with. This prioritised and focussed approach by partners is likely to ensure that West Cumbria and Furness is heading in the right direction, and is much better positioned to face future economic downturns, as well as to capitalise more effectively on its strengths.
- 7.43 There is little hard evidence of impact however. The NWDA has commissioned evaluation work on the impact of its spend in West Cumbria and Barrow, part of the national process of evaluating RDA activity. This is due to report shortly. English Partnerships and others are in the process of commissioning an interim evaluation/review of the progress of West Lakes Renaissance. Both these strand of activity will shed greater light on the overall impact of NWDA and other interventions in the two areas.

The significance of governance and politics

- 7.44 As is the case in Pennine Lancashire, governance and politics are seen as critical to the way that the Agency is able to support the area. With a range of strategic decision making bodies operating in the area, duplication remains a concern for the NWDA and its partners. The following organisations are all operational in the West Cumbria and Furness areas in an economic development and regeneration capacity:
- NWDA: The Agency has a number of officers who operate from Penrith and the Cumbria sub-region including Barrow and West Cumbria has seen intervention by the most senior Agency personnel on specific initiatives.
 - Cumbria Vision: The economic sub-regional partnership leading on the economic theme of the wider Cumbria Strategic Partnership. Although Cumbria Vision undertook some delivery of the former Rural Regeneration programme when it was established, the organisation is the strategic economic development lead for Cumbria. Cumbria Vision has recently published Cumbria's economic plan.
 - West Lakes Renaissance (WLR): The West Cumbria and Furness URC is tasked with funding and delivering a wide range of economic development and regeneration activities across this area in partnership with other organisations e.g. NWDA, local authorities, Furness Enterprise.
 - Furness Enterprise and West Cumbria Development Agency: Enterprise agency activity is operated across the area by these two organisations. A mix of business support services, activities, and enterprise support is offered to local businesses, young people, and community groups.
 - A range of regeneration organisations such as Maryport Developments, Whitehaven Development Company and Workington Regeneration were also active across this area in recent years. However, these organisations as well as others have now become part of the wider WLR teams operating across West Cumbria and Furness, with their funded programmes now part of the wider WLR programme of activities, helping to deliver efficient and focussed regeneration activities.

● Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper ●

7.45 However, some key issues were highlighted through the consultations including the following:

- Confusion about the respective roles of West Lakes Renaissance, Cumbria Vision and the NWDA. One example cited is the delivery of the current Barrow masterplan which focuses on 6 priorities. The perception is that the Barrow Taskforce is hampered by its governance arrangements and that the partnership needs greater focus.
- Partners recognise that that partnership working can be a difficult task to perform, although in the main relationships are positive. The WLR business plan provides the key projects for which NWDA funding is sought in the area, while the NWDA approves the business plan directly.
- While Cumbria Vision had taken time to establish, it is now seen as having defined a clear economic plan for the county by focussing on core priorities, while also proposing a new board and delivery structures for the four key economic areas in Cumbria. Along with the County Council, the Agency's role in this process has been pivotal, recognising local priorities through the Sub-Regional Action Plan, while supporting the need for focussed local delivery.

7.46 The overall message about the NWDA's contribution to governance arrangements in the two Cumbrian case study areas is broadly positive. The Agency is seen to have helped to articulate a more focussed vision for Cumbria, and in particular West Cumbria and Barrow through the encouragement of local partners to focus on key priorities which would offer the greatest change to the local economy, local people and local area more generally. There is a better understanding in promoting the area's strengths and assets, and the NWDA is clearly championing certain issues e.g. university, improvements to the port of Barrow etc.

7.47 One concern expressed by local partners is that the NWDA is seen, at times, to act in a way which is centralised and at odds with local regeneration priorities, especially in light of the changes proposed under the sub-national review (SNR). However, with a proposal to establish local boards and delivery capacity for four areas across Cumbria, the NWDA with its partners (Cumbria Vision and Cumbria County Council), is attempting to streamline governance arrangements and create structures which would allow it to offer greater local autonomy for regeneration and economic development. Striking a balance between approaches which are appropriate to local circumstances but which deliver regional priorities is a key task for the Agency and its partners.

Lessons for the future

7.48 Consultations have drawn out some consistent messages about the lessons that the Inquiry should draw from the NWDA's activities in the West Cumbria and Barrow case study areas. There are commonalities with the messages about Pennine Lancashire, but also some important differences. Key points to consider include:

- A perception that the Agency's project approval process results in excessive lead times – between 9 and 12 months in some cases. This is seen as frustrating for local people whose aspirations are raised by plans, but who then see few results. This is recognised as being an issue for partnerships in the area, not simply for the NWDA.
- The rigidity of the project appraisal and approval process is also seen by some consultees as stifling creativity and reducing the propensity of the Agency to back riskier ventures. As is the case in Pennine Lancashire, some partners believe that the Agency micro-manages projects and that Warrington exercises tight control over local initiatives, a particular difficulty for geographically remote areas in Cumbria.
- Clear expectations that any future changes to governance arrangements through the SNR and the pressure to delegate more to local authorities should not undermine the work of the URC. While many partners favour a shift back to a programme approach, with local management of funding pots, the need to retain strategic focus is acknowledged given the multiplicity of priority projects submitted by partners in the area.
- However, recognition that capacity to devise and deliver major projects in the case study areas still has room for further improvement. The Agency should continue to contribute to steps to improve leadership mechanisms for economic development and regeneration.
- The value of having the NWDA Chief Executive directly involved in initiatives in West Cumbria and Barrow. This is seen as having injected momentum into the development of key projects for the two areas.
- The NWDA is perceived to have played a key role in steering partners in Cumbria around to focus on the area's main strengths rather than disparate ideas (i.e. 10 years ago economic development focus was all about attracting large inward investors). The focus is now on energy (Energy Coast Masterplan), specialist engineering, Tourism & the environment, and natural landscapes and heritage (e.g. food, agriculture, cultural heritage).
- A sense that Whitehall remains instrumental in determining the economic fortunes of the two areas, particularly given the importance of BAe Systems and the nuclear industry. However, the Agency itself sees that the investments which it and partners are making are diversifying the business base (e.g. business parks, university) and are making the area more resilient to economic shocks.

Appendix A Aide Memoire for Consultations

Background and Role

1. Please describe your role in the organisation.
2. What specific geographical area does your organisation cover?
3. What are the main functions of you organisation?
4. How do you work with the NWDA and other stakeholders in the area?

Key Challenges for the Area

5. In what respects is the area remote from growth?
6. What are the key economic development and regeneration challenges for the area?
7. How have these changed over time?
8. What has been the NWDA's response to these challenges? What have been the responses of other stakeholders?

Vision and Objectives for the Area

9. How clear are the vision and objectives for these areas?
10. How effectively have partners been mobilised in the area?

Interventions/Projects in the Area

11. Describe the key interventions/projects which have been delivered in your area. We are looking in particular at the following types:
 - Land and property
 - Skills development and training
 - Employment and worklessness
 - Transport and communications infrastructure
 - Enterprise development and business support
 - Marketing, promotion and inward investment
 - Housing market renewal
 - Cross cutting themes (environmental sustainability, equality and diversity)
 - Other
12. What interventions have sought to link these areas to core economic growth areas in the North West?
 - How effective were these actions?

● **Inquiry into Stimulating Economic Activity in Areas Remote from Growth – Special Hearing Briefing Paper** ●

13. What has been the NWDA's contribution to these interventions?

- Strategy and policy
- Funding and leverage
- Partnership working

14. What have been the contributions of other partners?

15. How were the interventions delivered? (eg. URC, lead partners)

16. What have been the main challenges in delivering these interventions?

17. How were these overcome?

Impacts of Interventions

18. What have been the impacts of the interventions? For example:

- Business growth
- Diversification of the business base
- Inward investment
- New jobs created or safeguarded in the area
- Skill levels
- Levels of worklessness
- Other

19. What evidence is available about these impacts?

Lessons Learned

20. Which interventions have been particularly successful?

- Why have they been effective?

21. Which interventions have not worked as well?

- Why was this the case?
- How might they have been improved?

22. What lessons about these interventions might be applied in other areas in the future?

Appendix B List of Consultees

Consultee Name	Organisation	Position
Alan Roff	UCLAN	Deputy Vice Chancellor
Allan Haile	Cumbria County Council	Head of Economic Development
Anne Ainsworth	Lancashire County Council	Economic Policy Manager
Brian Bailey	Blackburn with Darwen Council	Director, Governance
Carolyn Wilkins	Rosendale Council	Chief Executive
David Higham	GONW	Deputy Regional Director - Economic & Regional Issues
David Martin	Allerdale Borough Council -	Director of Partnerships
David Till	Business in the Community	North West Director
Dog Holden	West Cumbria Development Agency	Director
Fergus McMorrow	Copeland Borough Council	Director of Development
Gillian Elliott	Cumbria County Council	Regeneration Manager
Harry Knowles	Furness Enterprise	Chief Executive
Ian Whittaker	NWDA	Policy and Partnerships Manager
Jackie Mason	Elevate East Lancashire	Strategy and Policy Director
Janet Barton	Lancashire Economic Partnership	Director of Economic Regeneration
Kate Thorpe	Burnley Council	Development Manager
Mike Baker	West Lakes Renaissance	Acting Director West Cumbria & Furness
Mike Cook	Burnley Council	Director of Regeneration and Housing
Mike Damms	East Lancashire Chamber of Commerce	Chief Executive
Pat Shilliday	GONW	
Peter Thomas	Lancashire Economic Partnership	Head of Strategy and Development
Phil Huck	Barrow Borough Council	Head of Regeneration
Ronnie Marsden	NWDA	Regeneration Manager
Sean McGrath	Lancashire County Council	External Relations Manager
Sheila Battersby	GONW	
Simon Sjenitzer	Cumbria Vision	Strategy Director
Steve Hoyle with Jackie Mason	Blackburn Council/Elevate	Commercial Director/Strategy and Policy Director
Stewart Swift	NWDA	Area Manager, Regeneration
Stuart Bailey	Ribble Valley BC	Director of Development
Terry Waitings	Bae Systems (Barrow)	Business Development Manager



Regeneris Consulting Ltd

Manchester Office
One Ashley Road
Altrincham, Cheshire
WA14 2DT
Tel: 0161 926 9214
Email: manchester@regeneris.co.uk

London Office
70 Cowcross Street
London, EC1M 6EJ
Tel: 0207 250 1787
Email: london@regeneris.co.uk

Web: www.regeneris.co.uk

