

Executive Summary

1 The Emerging Masterplan

1.1 A vision for West Cumbria in 20 years

West Cumbria's vision is to be a confident place that prides itself on its strong economy, opportunities for all and offering a lifestyle of choice.

By 2026, West Cumbria will:

- be a strong, diversified and well connected economy, with a growing population and employment base with particular strengths in environmental remediation. Economic performance in West Cumbria will be equal to that of the North West and the rest of the UK.
- be a world leader in energy, building on its nuclear heritage, and embrace technology and research to become globally recognised as the leading 'energy, environment and technology' business cluster - the 'Silicon valley of energy' in the UK.
- project a positive image to the outside world, and be recognised by all as an area of scientific excellence, amazing scenery and vibrant urban lifestyles.
- provide opportunities for all in West Cumbria, with the region's isolation no longer a barrier to achievement. Opportunities will be grasped to reduce economic deprivation, inequality and social immobility, and build a diverse population and visitor profile.

This vision can be summarised as:

West Cumbria 2026: belief; opportunity and well being.

In 20 years time, West Cumbrian residents will be able to look back and identify a transformation in the economy. The decommissioning of Sellafield, the establishment of the NDA and the University for Cumbria will be seen as the pivotal point in the sub region's history - as historic as the rise of the ports in the early 19th century and the development of the nuclear industry in the early 1950s.

- These early actions will have been the start of the development of a global centre of excellence across the energy sector. Through the National Nuclear Laboratory, leading edge research will be embedded in the region. In turn this will have supported a wider research and University engagement on a global partnership basis. Globally recognised Universities and research faculties will have taken the opportunity to invest part of their intellectual capital in the sub region. Such investment will have in turn led to private sector investment in the sub region - firms will want to be close to the quality research undertaken within the sub region to exploit its potential, nationally and internationally.
- There is a thriving private sector that is outward looking, is securing contracts all over the world, can access the right people, skills and research, and has mechanisms for constantly upgrading skills. It has the tools available to turn research and development into new products and new businesses and can spot and exploit new market opportunities. The private sector will develop a diversified client base, in decommissioning as well as related industries.

- The research capabilities will be mirrored by expertise in the practical decommissioning of nuclear and other facilities. The workforce of West Cumbria will develop a reputation for being experts in the clean up of hostile environments. Opportunities will have been taken to support the decommissioning of other places initially in Europe and then beyond.
- The quality of the environment will have been lifted significantly. Where the previous industrial legacy was all too evident, it will have been replaced with a vibrant and special mix of urban, coast and rural environments which will make it a place which people envy and aspire to live and work. And the factors that currently stop people making those decisions will have gone - high quality education facilities producing dynamic and motivated young people, best in class health facilities and a superlative housing offering will all encourage people into the region.
- And the economy will have fundamentally shifted. The benefits of better connectivity through road, rail and air as well as the state of the art ICT platform will enable others wanting the benefits of the lifestyle to start up businesses within the sub region and come and live in the sub region.
- These new levels of economic activity will provide opportunities for all residents of West Cumbria regardless of capabilities or the previous access to opportunities they have had. Whether in the revitalised retail or leisure sectors, the new businesses being created or through the further development of their skills in traditional industries, all people will be able to share in the economic prosperity of the sub region.

1.2 Delivering the vision - the Masterplan

This report submitted by Grant Thornton to Cumbria Vision sets out in broad terms, the emerging West Cumbrian Spatial Masterplan. It outlines the thinking on the issues under consideration and makes preliminary recommendations for action to secure the future of West Cumbria.

West Cumbria Strategic Forum commissioned the development of a Spatial Masterplan to identify transformational projects and initiatives to underpin the economic, social and environmental well-being of West Cumbria.

The Masterplan was initiated in response to the announcement of Nuclear decommissioning and the establishment of the Nuclear Decommissioning Authority with its headquarters in West Cumbria. The Masterplan is designed to ensure that the area is ready to grasp the opportunities offered by decommissioning and ensure that the local economy successfully adapts to the decline in employment at the Sellafield site.

The Masterplan is designed to identify transformational actions to secure West Cumbria's future. It will clarify the current situation facing the area and outline a number of scenarios based on different assessments of the future. The Masterplan will identify the actions which offer West Cumbria the biggest benefits over the next 15 to 20 years. West Cumbria partners can deliver some of these projects, but it will need the help, guidance, financial and policy support from regional and central government.

In delivering the Masterplan, West Cumbria will make a substantial contribution to the achievement of the UK's national policy objectives. Through R&D in nuclear, fuel cells, energy conservation and other emerging energy sources, West Cumbria will play a leading role in combating climate change - which has been identified as an urgent challenge¹. The region will provide leadership in a number of the key areas of technology identified by the

¹ *Stern Review on the Economics of Climate Change*, November 2006, www.sternreview.org.uk

Office of Science and Innovation in its "horizon scanning" work², including energy technologies, robotics, nanotechnologies and security technologies.

1.3 Where we are now: the West Cumbria economy

The West Cumbria economy is home to around 84,000 full-time and part-time workers, amongst a total population of around 164,000. West Cumbria is made up of the Boroughs of Allerdale and Copeland.

The challenges facing this West Cumbria region are unique. The area faces unprecedented changes and real opportunities. The difficulties facing the area coexist with some unique advantages.

The area has been through a period of economic weakness and decline as evidenced by the following statistics:

- West Cumbria is one of only four areas of Europe to decline over the four years to 2002.
- It grew by just 2.2% pa annum growth between 1995-2003 - compared to average UK growth of 5.5%, regional growth of 4.8%. One possible reason for the poor relative performance over that period was a delayed reaction to the restructure in the UK manufacturing industries. Other regions that experienced a decline in their manufacturing sectors in the 1980s and 1990s have turned around their performance in recent years following a period of restructuring.
- UK Gross Value Added (a measure of output) per head is 44% higher than in West Cumbria - despite the higher than average contribution from the nuclear sector. However, GVA per head is higher than in other remote regions of the UK. The nuclear sector contributes to a higher level of GVA than for other remote regions³.
- Earnings in Copeland (on a workplace basis) are 38% higher than the national average. West Cumbria (Copeland and Allerdale) is missing an opportunity to retain high value workers within the region, with median wages on a workplace basis (£398), substantially higher than those on a resident basis (£354).
- There is an under representation of the financial and business services sector which is the fastest growing sector in the UK - 27% of West Cumbrian employment is in manufacturing, an industry which has experienced major structural changes from globalisation
- Over 70% of industrial employment, and 22% of total employment in West Cumbria (c. 12,000) is reliant on the nuclear industry.
- The nuclear industry contributes around 33% of economic activity (as defined by Gross Value Added) in Allerdale, Copeland and Barrow (West Cumbria according to National Statistics definitions)

Key economic indicators for West Cumbria are compared to the North West and the UK in the table below.

² www.foresight.gov.uk/horizon_scanning_centre/

³ In West Cumbria, GVA per worker is £73k in the nuclear sector, compared with £19k per work in the rest of the economy.

Table 1-1 Key Economic Statistics

	Allerdale	Copeland	West Cumbria	North West	UK
Total GVA (2003)			£2.7 bn	£97 bn	£982 bn
Population (2003, '000)	94.5	69.4	163.9	6,800	60m
GVA per head (2003)	-	-	£11,437	£14,269	£16,485
GVA per worker (2003)	-	-	£25,159	£31,666	-
GVA growth pa. (1996 - 2003)	-	-	2.2%	4.8%	5.5%
Economic activity (employment)	75.8%	70.9%	73.7%	72.6%	74.5%
Unemployment	4.0%	6.6%	5.1%	5.1%	4.9%
Claimant Count	2.0%	2.5%	2.2%	2.7%	2.5%
Gross weekly wages 2006 (resident)	£350	£360	£354	£345	£364
Gross weekly wages 2006 (workplace)	£291	£501	£398	£344	£364
VAT registrations	6.2%	6.5%	6.3%	9.8%	9.9%
% workforce qualified to NVQ4+	21%	16%	18%	23%	25%

Source: NOMIS, Note: West Cumbria GVA data (as defined by NUTS3) includes Allerdale, Copeland and Barrow-in-Furness, all other West Cumbria data excludes Barrow. Unemployment figure are taken from the Annual Population Survey (which has replaced the Local Area Labour Force Survey) and are for the period January 2005 to December 2005. Claimant Count is the number of JSA claimants expressed as a percentage of the working age population.

1.4 The challenge of decommissioning

The role of decommissioning is an important driver for the development of this Masterplan. The nuclear sector is an important part of the West Cumbria's economy. Sellafield is not only a source of many jobs in the region, these jobs also tend to be high value jobs for the region.

Within West Cumbria, 12,000 direct jobs and 2,630 indirect jobs are dependent upon the nuclear industry. This amounts to 22% of West Cumbria's workforce, and 47% of Copeland's. Currently, demand derived from the Sellafield site is expected to be around £1.2 billion in 2006. This is expected to remain constant over the 2006-2009 period at around £1.1 billion and then start to decline from 2010.

The loss of those jobs presents a major risk to the economic future of the region. The West Cumbria economy will start to decline in 2010 and, by 2026, will be £400 million a year lower in Gross Value Added (GVA) terms than it would otherwise be and £150 million a year lower in terms of the sub-region's contribution to the Exchequer. The consequences for the economy of not changing will be more serious.

Over a 20 year period, this equates to a total loss to UK PLC in today's prices of £3.7 billion in GVA terms and £1.4 billion in exchequer revenues. While some economic activity may be displaced to other parts of the UK as people migrate away from West Cumbria to other regions, there is a significant risk most would be lost to the UK as skills, technology and experience relevant to the nuclear and related industry transfers to other countries such as France and the US.

1.5 Drivers of economic growth for West Cumbria

Research suggests that there will be a number of factor important to the success of the West Cumbrian economy:

- Specialisation is important to success and West Cumbria must build on its absolute and comparative advantage in the nuclear sector.

- Improving productivity is essential to improving the economic performance of the region. This includes improving enterprise, skills, innovation, competition and investment, and putting in place the right infrastructure.
- Economies that trade tend to be more successful. West Cumbria must become outward facing to truly become world class.

West Cumbria has the best chance of succeeding by concentrating its efforts on those areas where it has a comparative advantage - such as the nuclear and engineering (and related) sectors, and those where there are greatest opportunities and potential for synergies such as energy, tourism, health and technology.

But it is also essential to provide the essential building blocks to ensure that West Cumbria can retain its current population, and attract and retain new people and businesses attracted through decommissioning and technology opportunities.

The region must also consider the key drivers for the UK, in order to be able to take advantage of opportunities. For instance, climate change has been highlighted as a key challenge, and area for policy intervention in the recent *Stern Review on the Economics of Climate Change*. West Cumbria is well placed to take a leading role in the development and demonstration of new technologies to combat climate change.

Both the Prime Minister's Strategy Unit and HM Treasury note the difficulty of predicting specific developments and emerging technologies. However, they both also stress the importance of technological innovation and change in driving economic growth and contributing to increasing returns to skills.⁴ The Prime Minister's Strategy Unit (PMSU) has identified the importance of publicly funded research on productivity.⁵

Nevertheless, a number of technology areas of strategic importance have been identified at the national and regional level, and this Masterplan has a close fit with these areas, which are identified below:

- energy technologies, robotics, nanotechnologies and security technologies (Office of Science and Innovation in its "horizon scanning" work⁶)
- "Energy and Environment" has also been identified as one of six areas by the PMSU⁷
- Energy and Environmental Technologies; and Advanced Engineering and Materials: Chemicals, Aerospace, Automotive, Advanced Flexible Materials (North West Regional Development Agency)⁸

Key to the development of these technologies will be science skills⁹, and the development of these skills is a key element of the masterplan.

In addition to these strategic drivers, a widespread programme of service delivery reform is underway throughout the public sector, covering the key areas of health, education, crime and waste management. HM Treasury has recently noted that the solution to many problems

⁴ *Strategic Priorities for the UK: The Policy Review, Prime Minister's Strategy Unit, November 2006 and Long-term opportunities and challenges for the UK: analysis for the 2007 Comprehensive Spending Review, HM Treasury, November 2006*

⁵ *Public Funding of Science, PMSU, September 2006*

⁶ www.foresight.gov.uk/horizon_scanning_centre/

⁷ *Strategic Priorities for the UK: The Policy Review, Prime Minister's Strategy Unit, November 2006.*

⁸ *Northwest Regional Economic Strategy 2006, Northwest Regional Development Agency, March 2006*

⁹ *2002 Roberts Review of Science Skills*

in the future will be found in individuals and communities working in partnership with local and national government.¹⁰

Thus, the key drivers for growth are productivity and capacity and enabling building blocks (ie. the conditions for sustainable growth). Supporting these drivers are the factors and objectives. This is described below.

Table 1-2: Drivers for Growth

Productivity and Capacity	Enabling Building Blocks
Skills	Community Infrastructure and Services
Higher education	Quality health services for local residents
Business skills	Aspirational school leadership
Employment transition	Investment in schools
Enterprise	Transport
Enterprise support for new and existing businesses	Improve internal road and rail connections
Inward investment	Improved external road, rail, air and port linkages
Innovation	Land, Property and Housing
Facilitation of R&D: NNL	High quality employment sites and premises
Commercialisation	Quality and diversity of the housing stock
Diversification into related technologies	Vibrant urban centres
Transfer of technology to new fields	Visitor Economy
Decommissioning Opportunities and Competitiveness	Quality environment for visitors and residents
Maximising socio-economic benefits	High quality attractions
Accessing markets, inward investment and international opportunities	High quality accommodation and conference facilities
Sustainability	Cultural and sporting offering
New energy solutions, nuclear, fuel cells	Profile and perceptions
Waste management research	Branding and marketing

These drivers link to the key transformational actions.

¹⁰ *Long-term opportunities and challenges for the UK: analysis for the 2007 Comprehensive Spending Review*, HM Treasury, November 2006

1.6 Transformational projects and actions

Achieving growth will involve undertaking transformational actions within each of the drivers. This is outlined in the table below.

Table 1-3: Drivers for Growth

Productivity and Capacity	Enabling Building Blocks
Skills and enterprise	Quality services and facilities
1A Strengthen plans for the University of Cumbria and develop multiversity branding for the University	4A Investment in new schools
1B Consolidated business support agency	4B Investment in school leadership
1B Inward investment	4C Deliver a new hospital
1C Skills transition/coordination	Transport
'Energy, Environment and Technology' Cluster	5A Upgrade rail
2A Strengthen the NNL/nuclear institute	5B Undertake road improvement schemes within West Cumbria
2B R&D support	5C Develop an air field within West Cumbria
2C Maximise decommissioning benefits	5D Develop port and marina infrastructure within West Cumbria
2D Commercialisation agency	Land, commercial property and housing
2E Technology Centre	6A Deliver new commercial development
2F Diversification Fund	6B Vibrant urban centres
2G Position on opportunities	6C Increase quality and diversity of housing
Quality services	Visitor Economy
4D Health campus/ development of health links to centres of excellence	7A Development major attractions
	7B Hotel and conference centre
	7C Culture and sporting facilities
	Branding and marketing
	8A Brand promotion

Each of these is discussed in more detail in the following sections.

Together these actions will achieve a true transformation of the West Cumbrian economy. Certainly, much of what is included in the Masterplan has been considered in the past. But the key challenge that lies ahead is in delivery and quality of delivery - this is where this plan **must** be different.

1.7 Diversification of the West Cumbria economy by improving skills and enterprise

Our vision is for West Cumbria to offer a well educated, highly skilled and flexible workforce able to compete effectively in the global marketplace across a range of industry sectors. Compared with other regions in the UK and internationally, local businesses have reported that they find labour costs high and that appropriate skills are scarce in West Cumbria. Improved competitiveness is essential to attract inward investment, especially in sectors other than nuclear (which is central to diversifying the economy). Skills development is key to this ambition.

Project 1A: University of Cumbria - Strengthen existing plans for the University

The role of the university is important for raising aspirations amongst West Cumbria's young people and attracting new young people to the area. The existing plans for the University of Cumbria should therefore be strengthened to represent a University *for* Cumbria. In particular:

- identify an urban site(s) in West Cumbria to act as a designated campus for the University, which includes lecture halls, seminar rooms, academic facilities and student accommodation. This will become an integrated part of the community with local

residents being able to use facilities, and students acting as the catalyst for the development of new leisure, cultural and commercial services.

- provide science and engineering courses as the complement to the vision of West Cumbria as a globally recognised 'energy, environment and technology' business cluster
- provide general finance and business courses as a complement to the strategy for improving enterprise
- ensure the University is linked with local businesses and reflects the needs of the local economy by providing courses with annual work placements with local companies. Creating these links will support the goal of retaining talented youngsters within the area.

Over the long-term, the objective is for a joined up approach to create opportunities for economies of scale and joint development of facilities and research infrastructure. Over time, as links with leading UK and international institutions are established, it will be important to look to offer international courses through the University. Building a quality offering will attract students to the area and provide the right skills for the development of the cluster.

Project 1B: Nuclear and Decommissioning Skills

There are a number of initiatives for the development of nuclear skills and skills for decommissioning. It will be essential that these are coordinated to optimise the development of skills and opportunities for people in West Cumbria. It is important that the Nuclear Skills Academy, the University of Cumbria, the National Nuclear Laboratory, the Cumbria Dalton Facility, the Westlakes Research Institute and other institutions work together to create a truly world class skills offering.

Project 1C: Business Support Agency - Improved coordination of business assistance linked to regional business agency

There is a need for one Cumbria Business Support agency, which promotes all aspects of enterprise in Cumbria and provides and encourages an environment in which businesses thrive. All business support organisations within West Cumbria should transfer their business and economic development staff into this Cumbria business support agency. This Cumbrian agency should be located where there is greatest need, namely West Cumbria, but also serve the wider Cumbria community to ensure that economies of scale are capitalised on (which would include some local offices throughout West Cumbria).

This agency is a considerable step beyond the existing business link models provided in other areas. The agency will provide independent and reliable advice to businesses. It will not only signpost businesses to the available business support, but also be the point for initial help. The business support agency will be split into a number of specialist groups:

- general business support, comprised of advice to all types of companies from SMEs to large companies and from new business start ups to larger companies
- inward investment, including marketing and promotion
- nuclear cluster and decommissioning opportunities, including opportunity spotting
- technology diversification and commercialisation
- social enterprises

Current arrangements are diverse and lack the critical mass to deliver to the businesses community. These new arrangements will allow cross-fertilisation of ideas between, say, nuclear supply and inward investment, or around the commercialisation of nuclear technology. It will provide West Cumbria and Cumbria with the ability to raise its profile and penetrate international markets. For non-UK companies considering the opportunities in nuclear and related technologies, this agency will be the first port of call.

The creation of this business support agency will involve a massive organisational change programme, requiring the following to be completed:

- identification of an appropriate building and/or contractor
- agreement of the strategy and vision for the organisation.
- detailed descriptions of the above services to be provided by the Agency (the scale and key characteristics of the services and products to be provided to the business community)
- description of the processes, organisational structure and technology platform of the organisation.

Project 1D: Support to Workers in Transition

A dedicated one-to-one programme is needed to assist the re-training and re-deployment of Sellafield employees. The activities of the programme would include a wide range of activities including training, job search, general careers advice and careers mentoring. The business support agency would be responsible for outsourcing this contract to a private contractor who would be responsible for its delivery. This contract would also have the responsibility for coordination of skills initiatives and future employment needs to ensure that the right skills are developed and young people are retained within West Cumbria.

There are a number of examples of ways in which workers have been supported in similar situations, including Tomorrow's People trust which was created by Diageo (formerly Guinness) in the early 1980s and Rover. In the US, Workplace Transition Plans are required for nuclear facilities and these will be necessary to ensure that all workers at Sellafield have opportunities for re-training and re-deployment in decommissioning or elsewhere in the economy.

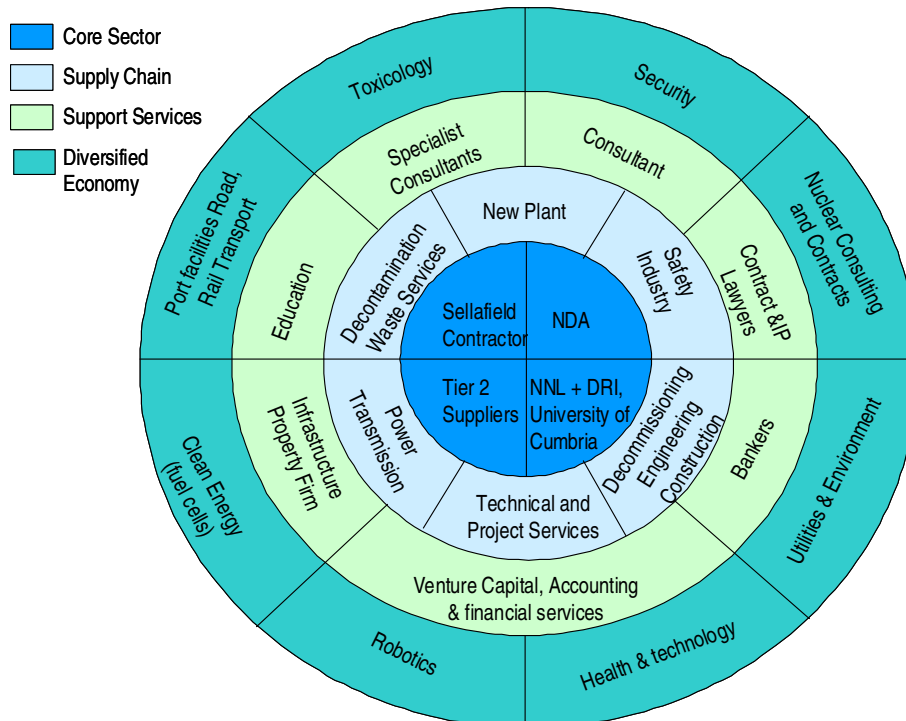
Impact and delivery

Using these projects to raise the level of skills and enterprise in the sub-region has the potential to make a real difference to the economy. It is difficult to be precise given the uncertainty about the take-up of business support and the range and mix of academic and vocational courses which will be provided but, as an illustration, if skills, qualifications and business formation were raised to the North West average the West Cumbria economy would support an additional 3,500 jobs and be some £200 million higher each year than it would otherwise be.

1.8 Creating a leading 'energy, environment and technology' business cluster

Our 20 year vision is for West Cumbria to be recognised as *the* place for energy, environment and technology, in essence a globally leading international business cluster. There is now a window of opportunity to maximise the opportunities offered by decommissioning and secure the benefits locally. Success is also likely to be based on decommissioning and R&D undertaken in the sub-region. As noted in section 1.5, there is a close fit between the technology areas identified in the cluster, and those which have been identified in national and regional technology policy papers. This cluster is described in the following figure.

Figure 1-1: Energy, Environment and Technology Cluster



Note: NNL (National Nuclear Laboratory), DRI (Dalton Research Institute)

The transformational actions to achieve this cluster are:

Project 2A: Strengthen the National Nuclear Laboratory

The National Nuclear Laboratory forms the focal point for the development of a world class research base - vital to the creation of a globally recognised business cluster in 'energy, environment and technology'. To ensure that the National Nuclear Laboratory is ambitious and high profile the following is required:

- a multidisciplinary research centre that is tasked with covering all accepts of nuclear issues, including new build, waste, reprocessing and decommissioning activities.
- an objective to work with the private sector and performance targets around the production of IP that can be developed by the private sector (shared incentives etc)
- two locations, comprised of the existing Nexia Lab at Sellafield and a non-secure arm at Westlakes Science Park, in order that the benefits for the local community are maximised
- domestic links with existing research organisations such as the Westlakes Research Institute and the proposed Dalton Cumbria Facility
- international links with sister institutions such French CAE.
- a long vision to diversify into the wider energy, environment and technology agenda, covering areas such as energy solutions, including hydrogen, environmental research, defence and security.

Project 2B: Facilitation and support of R&D

Developing a world class research and knowledge base through R&D support and collaboration. Collaboration will be required to ensure that the Laboratory is at the forefront of R&D and can provide the crucial role of developing intellectual property that will underpin the diversification of the economy. The mechanisms in which these can be delivered include the following

- supporting collaboration through the Technology Centre
- the development of an innovation system along the lines of the Qinetiq or the Oxford Innovation System.
- pro-actively participate in national and European programmes
- local R&D, skills and private sector collaboration through the West Cumbria Business Cluster

Attracting the knowledge and research base to the area and using this to attract the private sector will be key to the fulfilment of the masterplan vision.

Project 2C: Maximisation of decommissioning benefits

Decommissioning is the anchor for the development of a wider 'energy, environment and technology' business cluster. It is important that local and international businesses involved in decommissioning and clean up are encouraged to locate in West Cumbria. Decommissioning will start to be a major economic opportunity for the region within the next 5-10 years. There will also be major international opportunities for firms.

- Intensive support for local firms with consortium bids, partnering and accessing international opportunities. It is essential that the benefits of decommissioning are captured locally. Encouraging the location of firms within West Cumbria, including through socio-economic criteria within procurement contracts, will be central to providing opportunities for local firms.
- Through the BNG sale process and the competition for a new Sellafield contractor, maximise socio economic benefits for West Cumbria. This includes requiring explicit socioeconomic commitments from the successful contractor.
- Maximise inward investment by engaging sector champions to explore opportunities and market potential opportunities to companies in nuclear and synergistic areas. This should include efforts to secure reductions in local business rates and encouraging capital investment assistance.

Project 2D: Commercialisation agency

Diversification of the economy through technology and innovation involves commercialisation of intellectual property in order to further develop the private sector and the development of the technological infrastructure to assist and encourage people and business to exploit existing technologies.

A commercialisation agency with the right resources and long term view, dedicated to spinning off new business opportunities will be key to refreshing the economy. Intensive support is required to convert ideas into successful businesses. The challenge is to ensure that the IP, skills and knowledge are applied to maximise benefits for the economy. The commercialisation agency would

- be tasked with commercialising the Intellectual Property (IP) held within Sellafield, developed through the National Nuclear Laboratory (NNL) or developed by the private sector
- engage a private sector partner to provide strategic guidance and maximise potential benefits from IP developed (following the successful Qinetiq and Carlyle Group model)
- provide support around IP protection and licensing, proof of concept, financing and venture capital facilitation, seed funding
- assist with business planning, investment readiness, funding agreements and analysis of the market
- provide support to companies across the North West region, to gain from economies of scale and also to attract investor interest

The Gateway2investment programme for London businesses provides an example of a programme that could be developed to assist businesses in West Cumbria.

Project 2E: Technology centre

A technology centre is needed to provide the technical assistance needed to develop new products and services, essential to diversifying the economy. The centre would be part of the NNL, and could also be part of the University for Cumbria multiversity branding.

The centre would help firms with product development (e.g. pro-typing and visualisation equipment) around their business ideas, provide technology validation support and high quality ICT support. As well as providing technological support it would collaborate with other research institutions and the private sector. It would also provide physical infrastructure for use by start-up businesses.

Project 2F: Diversification fund

Diversification of the economy is a key part of the Masterplan. The assets of the nuclear industry, including the intellectual property, provide exciting opportunities for the development of new products and services.

A diversification fund which provides financial incentives to develop new industries within West Cumbria is another initiative that would help diversify the economy. The fund would support individuals leaving employment to start their own businesses, provide match funding for businesses developing new products or establishing a new industry base within West Cumbria.

Project 2G: Nuclear opportunities

There are economic benefits from new nuclear build and, depending on the site assessment produced in 2007, this is likely to be an option for West Cumbria. West Cumbria must maximise continuing opportunities to use its expertise in innovatively handling, packaging and temporarily storing and managing radioactive waste to support local employment and provide a focus of national R&D and practical expertise.

Impact

When fully operational the transformational projects described here are likely to support about 6,000 jobs in West Cumbria, taking into account direct, indirect, construction and spillover impacts. These jobs contribute around £300 million in GVA each year to the West Cumbria economy, equivalent to nearly one-sixth of the existing economy in 2006.

A further 2,000 additional jobs can be supported from new decommissioning opportunities, contributing £80 million worth of GVA to the local economy. The impact arises not only from decommissioning, clean up and remediation opportunities at Sellafield, but also more tier 2 contractors basing their satellite offices in West Cumbria to serve other nuclear related markets in the UK. Over time, these firms capture a share of non-nuclear decommissioning markets (eg UK offshore decommissioning, decommissioning of fossil power plants, defence, green ship recycling, industrial plant, mining and refining) in the UK and abroad.

1.9 Quality services and facilities

Central to our vision is enabling children to maximise their potential, and ensuring that services are available to support this. Increasing the options for education within the sub-region, particularly at further or higher education levels is vital to provide real options for young people in the region.

An increase in the quality of the education offering in the sub-region will provide the highest level of transformational change in West Cumbria, not only increasing life opportunities for young people but also attracting new parents to the area. It is important that the healthcare needs of people are met, with healthcare provision focused on the needs of residents delivered locally for communities. The transformational actions to achieve this are:

Project 4A: Bring forward 'Building Schools for the Future'

Lobby the Department for Education and Skills (DFES) to bring forward the 'Building Schools for the Future' (BSF) programme within Cumbria. The aim of BSF is to rebuild or renew every English secondary school over a 10-15 year period. West Cumbria partners should lobby to ensure that the programme is brought forward for West Cumbria and, as a minimum, the least the first programme currently scheduled for 2013 in Cumbria takes places in West Cumbria.

While student numbers are predicted to decline, the change provides the catalyst for action and investment. New and rebuilt schools will be more efficient to run for this future demographic and will also be more flexible to new population needs as they arise in the future, while ensuring that a wide selection of subjects can be effectively taught.

The lobbying strategy to achieve this should focus on the prioritisation process being flawed in relation to West Cumbria and the lack of rural areas being in the initial waves. Prioritisation was based on *existing* educational and social need (measured by free school meals) rather than taking into account *future* need which would be very different in 5 or 10 years time in West Cumbria after the impact of decommissioning. This is a perfect example of when 'West Cumbria proofing' should apply.

Project 4B: Provide incentives to school leaders

Secure funding to offer high salaries for exceptional head teachers who are proven to deliver good results or successfully turn around poorly performing schools, as both a retention and recruitment incentive. It is well recognised that inspirational head teachers are a prerequisite factor in schools performance. West Cumbria must be able to provide additional funding to retain existing head teachers who are delivering and, most importantly, recruit the next group of head teachers to deliver the BSF programmes.

Project 4C: Deliver a replacement hospital in West Cumbria

A key project is to deliver a replacement hospital to the threatened acute services hospital in Whitehaven and extend the facility to include a research and teaching facility. One of the biggest threats to the future sustainability of the West Cumbria economy is health care. There is currently a significant risk that some services currently provided within West Cumbria will in the future be served by the Cumberland Infirmary at Carlisle.

The poor quality of the hospital buildings at the Acute Services Hospital at Whitehaven makes this prospect more likely, particularly as the declining/ageing population and the remoteness of the region is a potential barrier in terms of justifying the case for major investment. A new facility is essential to provide existing and potential residents with the perception that levels of healthcare equate to that received by other UK residents and therefore a positive reason to locate in here.

Project 4D: Develop a health campus

A health-campus delivered as a joint venture between academia and the NHS could, firstly secure an acute services hospital in West Cumbria, and secondly, provide a medical research and development facility to develop new treatments in the region. The campus could be linked to expertise in nuclear and related areas, including radiation, epidemiology, nanotechnology toxicology. The changing nature of healthcare provision and the need to integrate levels of service provision, education, training and research to deliver current and future healthcare needs is an opportunity for West Cumbria. This is based on a government led agenda pushing the need for the NHS and education providers to engage with wider industry and communities in the resolution of problems and policy changes in healthcare provision. The proposals also have the added benefit of potentially locating a university campus in the sub-region, capturing the economic benefits of a university presence, including student spend, knowledge generation and private sector co-location.

Project 4E: Greater support to families, children and young people

Central to ensuring a strong community is supporting families, children and young people. Support is needed at all stages of development, particularly for the very young, with early intervention offering the greatest prospect of results in terms of long term achievement. Additional support for programmes such as SureStart (now part of the Every Child Matters agenda) within West Cumbria is necessary to achieve a real transformation in the most deprived communities. Supporting young people, and providing them with opportunities and activities, is essential to retaining them within the region.

Benefits

Changing perceptions of the quality of schools and health care for local residents and those considering relocating to the region is a vital component of the masterplan. The replacement of the hospital in West Cumbria is important for the economy in its own right, supporting around 2,000 jobs and around £40 million in GVA. Equally, the direct jobs supported in primary and secondary schools, as well as the additional 200 jobs from the health campus, make a valuable direct contribution to the economy.

But, most importantly, schools and health care are a key instrument for economic change, producing a far greater impact than just their direct employment impacts alone. Good schools and health care act as an enabler of investment and productivity. By attracting and retaining people, particularly key decision makers, highly productive and mobile individuals, inward investment is increased and more higher value added jobs are attracted to the area.

1.10 Improving connectivity

Improving the accessibility of West Cumbria is essential. Our vision is for reduced journey times, better connections between different transport modes and attractive alternatives to private car usage. West Cumbria will be better connected to the North West region, the rest of the UK and internationally. Movement within the region will be improved, bottlenecks removed and peak congestions reduced. Improvements in transport infrastructure will ensure that economic growth is not constrained, and enhances the attractiveness to business relocation. It is also important to have safe and speedy access in the context of continuing nuclear activities. The transformational actions to achieve this are:

Project 5A: Improve rail connections to West Coast mainline via Carlisle and to the south

Rail is currently under utilised but is the key transport opportunity to transform West Cumbria over the next 20 years. UK rail passenger trips are expected to grow by 71% over the next 30 years as car trips become more environmentally damaging and costly.

Improved rail services going south from Whitehaven/Workington to Barrow and Lancaster to join up with Manchester Airport and the upgraded West Coast mainline. This will take the pressure of car trips in the National Park, will join up the economies of Barrow and West Cumbria, provide a much needed impetus to the Port of Workington which could even become an attraction in its own right. This can be achieved by:

- upgrading the rolling stock, or providing additional rolling stock to support more frequent services, achieved through leasing vehicles
- expanded and better integrated timetable, to allow better connection times with the West Coast Main Line services at Carlisle, Barrow and at Lancaster.
- selective gauge enhancements and track improvements, along with rationalisation of stations served, to improve train speeds.

The delivery of such a transformation is not easy. Significant and prolonged heavy investment over the next two decades in both the track, gauge and rolling stock would be needed to provide more frequent and faster services. In the short term, quick wins would be around improved timetable connectivity from the coastal services with high speed trains at Carlisle and Lancaster and providing faster services.

Project 5B: Road infrastructure improvements

Road improvements are needed to the major access roads into West Cumbria - especially to the A595 to Carlisle, the A595/A590 south and A66. For the A66, road widening, additional climber lanes, traffic awareness measures and selective dualling would improve the traffic flow, and improvements to local residents in journey time and times to/from M6, and a business case could be made on grounds of time savings and accident benefits.

Improvements to road transport are also required within West Cumbria. Quick wins include:

- Whitehaven eastern bypass, providing peak hour time savings in excess of 5.5 minutes per vehicle
- A595 bypass schemes (Bootle/ Calderbridge) to reduce localised congestion and safety benefits
- Workington Southern Link, to provide improved access to Port and reduced numbers of HGVs in residential areas
- Low cost Duddon improvements, to provide journey time savings and benefits from lower accident
- A595 Junction improvements (A5084, B5295, Meadow Row and Mirehouse Road) required to facilitate growth in traffic associated with West Lakes proposals

Short term priorities include:

- Pow Beck Spine Road, to improve access to major development sites in Pow Beck valley
- New A597 junction to ensure access to major Derwent Forest site
- Derwent Forest Bus Service, a dedicated service between site and nearest rail station (Workington) to encourage non-car use

Medium terms priorities include:

- A5086 Improvements (Egremont-Cockermouth), to provide journey time savings and alternative route to the A595 for North South movements through West Cumbria and improve access to key national park attraction from the north and south and provide a better alternative route to the A595 in case of emergency evacuation.

Large scale improvements, for instance a southern link to the M6 across Duddon Estuary and Morecambe Bay, could transform the economy, but are likely to only be viable in the long term, and will likely encounter considerable environmental opposition.

Project 5C: Connectivity

Given West Cumbria's remoteness, ICT connectivity is essential to the region. Whilst there is good broadband coverage, a key issue is mobile access and related 3G access. Negotiations are required with key network providers to improve coverage for West Cumbria, which could include a public-private partnership.

Improving international connectivity through access to international air services will be important, and the most strategic way of doing this will be through Carlisle Airport, which will improve connectivity with London and Europe. It will be important for local partners to lobby for airport services to be developed at Carlisle, as well as the transport links that will enable quick transfer from West Cumbria to the airport.

Project 5D: Port infrastructure

Port access is a vital component of a fully integrated transport offering within West Cumbria. The refurbishment plan being undertaken at the Port of Workington is therefore essential in securing a sustainable and commercially viable port facility and a deliverable option for haulage requirements to complement road and rail. A package of initial investment has already been secured to refurbish and diversify the port, the masterplan therefore needs to encourage increased utilisation of the port for commercial shipping and leisure/marina uses. There is also the potential to develop a cruise terminal at the port in the long term.

There are opportunities to build on the development of Whitehaven harbour's leisure facilities which should be supported including facilities which would potentially attract cruise ships. In addition Whitehaven harbour's attractions provides an opportunity to attract housing and office developments.

Benefits

Improving transport has a stimulating impact on an economy. Good connections and accessibility are cited as major factors for companies considering relocating. Transport can increase the productivity and efficiency of economies by providing businesses easier access to customer markets, enhancing supply chain efficiency and increasing innovation through the spread of knowledge and skills. Transport can also have vital and significant regeneration impacts on deprived areas and on inaccessible regions.

A broad indication of the economic benefits likely to arise to West Cumbria from these transport improvements are around £25 million of GVA each year and 600 jobs, generated from additional inward investment by new companies and efficiency gains from existing companies.

1.11 Developing the land, commercial property and housing markets

The land and property market will be revitalised to increase demand encouraging investment. The difficulty in dealing with the shortage of high grade commercial premises is compounded by the broader over supply of land in the sub region which depresses land

values. The over supply of land in general, along side a shortage of premises of the right type and quality represents a significant barrier for future business development.

Providing quality housing is a key issue. This includes raising the quality of existing homes and ensuring that there is a mix of houses available to retain existing residents and attract new residents.

West Cumbria will be a vibrant place to live, with a wide variety of life style choices for all residents and an attractive alternative to UK metropolitan living. Town centres will be exciting places to live and work in, with a wide range of evening leisure activities. The transformational actions to achieve this are:

Project 6A: Commercial Development

A lack of commercial sites could prove a barrier to attracting inward investment. Competitively priced commercial space should be a key advantage for West Cumbria, and it is essential that this is facilitated. To do this it will be necessary to target public sector investment on the high priority sites. Ensure that there are sites available to attract new businesses to West Cumbria. These sites must be have good transport links and support employment in communities that will be impacted by future job losses at Sellafield. In parallel, it will be necessary to reconfigure existing sites to make them more appropriate for local needs, including reducing the size of some units.

Project 6B: Urban Centres

Dynamic and vibrant centres are an underdeveloped asset for West Cumbria. Encouraging the development of the main urban centres as vibrant retail and entertainment centres will attract visitors, assist to retain young people within West Cumbria and provide an alternative style of living for residents of West Cumbria. This will be supported by improvements to the public realm, investment in cultural facilities and events and the development of accommodation and housing in town centre locations.

Facilitating the development of high quality accommodation will attract high value visitors to the area and will provide an improved offering for business travellers. Improving the hotel offering in urban centres will enable the development of niche retail and entertainment in these centres.

Project 6C: Housing

There is a need to improve the quality of the overall housing stock, and increase the diversity of the product on offer. Raising the quality of housing and improving neighbourhoods is being progressed through the Housing Market Renewal Initiative (HMRI). Plans for housing market renewal will involve the demolition and redesigning of poor quality and redundant housing in certain areas. Housing ownership, including through shared ownership plans, will be encouraged. Investment is required beyond the HMRI to ensure that the medium to long term improvements can be made to target areas, and the stock more generally can be improved. Gateway and town regeneration programmes will also play a role in improving the attractiveness of housing.

Retaining young people and attracting new people to West Cumbria is an important priority and improving housing choice is key to this. There is a need to develop a blend of housing, including larger houses, urban apartments and work/live apartments for remote workers which will assist to develop the executive base and support the vision for town centres to become attractive places to live and can offer affordable housing choices

Provision will also need to be made for selective developments in attractive rural locations to provide adequate housing choice. This is particularly true of Copeland which currently loses

many of the higher paid individuals working in the area to neighbouring communities that offer wider housing choice.

Benefits

Developing better quality commercial premises provides the backbone business infrastructure through which the transformational projects deliver employment and economic benefits to the sub-region.

Demand for business sites and housing will rise as a result of the skills, enterprise, quality services and transport projects are delivered. The priority sites when fully operational will provide roughly 850,000 Sq M of space allowing for new employment of 14,000.

But the development of good quality commercial premises in itself will also provide an impetus to the economy, unlocking suppressed demand. It is estimated that perhaps 500 additional jobs could be generated from pure quality improvements to commercial infrastructure, and through a focus on the development of space for financial and business services.

1.12 Strengthening the visitor economy

The vision is for the Western Lake District to be a destination of choice for visitors. Alongside an increase in the profile of the region, the quality of the accommodation provision will be increased and the physical environment will be enhanced. Creating a quality offering for visiting and staying in the region, for both leisure and business, is crucial.

The coast is arguably one of West Cumbria's greatest assets and could become a key attraction in its own right. Promoting and improving leisure facilities is central to the visitor economy. The transformational actions required to achieve this are:

Project 7A: Developing major attractions

Developing major attractions within the region is a key transformational project which will achieve a step change in visitor numbers and will make a real difference to the West Cumbria tourism economy. There are a number of potential options to deliver such transformational change, and we believe that three of them will be necessary, these could be Derwent Forest, the National Coastal Park and a multi-faceted attraction at Dent.

- The Derwent Forest site has already been earmarked as a location for a major mixed use tourism, leisure, residential and commercial development. The Derwent Forest opportunity should be progressed, led by the private sector and supported by the NWDA as a matter of urgency. Any leisure development proposed should be one which encourages tourists to use the location as a base to explore the surrounding Lake District and the whole West Cumbria region.
- A National Coastal Park will offer an active holiday experience, although this would be a longer term plan involving large scale remediation, signposting and the further development of walking and cycling paths. The development of a visitor centre will attract people to the coast, and could provide facilities such as for bird watching.
- Proposals for mountain-biking at Dent could be up-scaled to include a cable car, hiking routes, a restaurant/function centre at the top of Dent. This would strategically important for attracting visitors to the Western Lakes, but would also provide Cumbria with a cluster offering for mountain biking to rival those in Scotland and Wales.
- Improvements to the coastal rail line to enable the line to become an attraction in its own right.

Project 7B: Accommodation

An improved accommodation offering in the urban centres. The development of an hotel in Whitehaven has been long mooted. The fact that a hotel development has not been secured to date should not overshadow an awareness of the scale of the positive impact that a new quality hotel would have on perceptions of West Cumbria, and on the vibrancy of urban centres. The aim should be to deliver 3 large hotels in the sub-region over the next 5 years, with hotel accommodation on the Whitehaven harbour being the likely first candidate. A high quality hotel must be secured to address the current deficit and raise the offering above towns elsewhere. Provision of gap funding to private sector developers will be needed or, potentially, planning changes to allow mixed residential and hotel use development.

Project 7C: Enhance the cultural and sporting offering

There are strong creative communities throughout West Cumbria that can be supported to create economic opportunities and improve the vibrancy of the region. Festivals, public art, creative workspace, sporting facilities and cultural centres are all important in delivering an improved offering to attract visitors and new residents, and to develop a sense of place and pride amongst local residents.

Benefits

The economic benefit of these tourism and leisure projects are expected to support an additional 700 jobs, bringing in additional £30 million each year in GVA in West Cumbria. But the benefits from tourism are much greater than this. Tourism provides the catalyst for creating a wider cultural and leisure offering (eg shops, bars and restaurants etc) which not only appeals to the local population but also attracts people to live in the sub-region.

1.13 Branding and marketing

The vision is that within 10 years, the brand of West Cumbria will include a place where businesses thrive (and be *the* location for energy, environmental and related technology firms), providing a lifestyle of choice and a great place to visit. The transformational actions required to achieve this are:

Project 8A: Brand promotion

Promote the West Cumbria economy around a single common brand with the aim of West Cumbria being globally recognised as the leading 'energy, environment and technology' international business cluster (ie in a similar fashion to the way that Silicon Valley is recognised). Current branding ideas include an 'Energy Coast', 'Green Energy Coast', 'Green Growth Coast' a 'Nuclear Centre of Excellence', 'Energy and the Environment cluster'.

This brand must be actively promoted to attract inward investment and remote workers to the region. The marketing would highlight a world class research and skills base, the availability of land at reasonable prices and improved transport. It would also raise the profile of West Cumbria as place for research collaboration and a market leading supply chain cluster.

Project 8B: Iconic building

An iconic building or large scale public art installation, linked to the tourism and cultural offering, would serve to raise the profile of West Cumbria. A high profile site in a tourist/regeneration area would need to be chosen for maximum effect, and there are a number of sites along the coast that are likely to be effective.

Project 8C: Theme towns

Initiate and support the development of a "theme town" or towns within the sub region to raise the profile of tourism in West Cumbria and attract new residents. This should be supported with the development of an enhanced festival and cultural programme.

1.14 Spatial analysis

This plan also considers the spatial dimension of transforming West Cumbria. The underpinning principles for the spatial plan are to increase connectivity with adjoining regions and international and research partners (ie external linkages), achieve a greater ease of connection within the region (ie. internal linkages), focus development strategically on town centre locations and develop a sense of place for smaller centres, and develop a spatially branded energy, environment and technology cluster.

An improvement in external transport linkages as well as research and development partnerships will strengthen the region's outward-looking orientation. It will enable businesses to enter product development partnerships and access international decommissioning markets.

The plan aims to improve connections to key markets in the Cumbria region including Carlisle (eg. tourism and public sector procurement), Barrow (eg. submarine decommissioning) and the Lake District National Park (tourism market), and to derive benefits from similar masterplanning exercises within the region (ie. Carlisle and Barrow).

Consistent with the draft Regional Spatial Strategy, development is focused around town centres and aims to create vibrant urban centres. The RSS includes sustainable transport solutions through focussing development at strategic employment sites and improving public transport. The draft RSS requires a focus on the complementary development of the roles of Whitehaven, Workington, Cleator Moor and Maryport. Also consistent with the RSS, is the conservation of the coastal strip. The spatial element also takes account of the Lake District National Park and aims to achieve strategic linkages to the Park (eg. Gateway towns, and tourist flows from the park to West Cumbria).

1.15 The economic benefits from transformation

To assess the potential economic impact of each proposal an econometric forecasting and simulation model has been developed for the West Cumbrian economy. The econometric model of West Cumbria takes into consideration past and present performance and considers the options open to policy makers to intervene in the local economy and the consequential benefits. The West Cumbria model produces forecasts of value added and employment over the next 20 years for the baseline, under a do-nothing scenario (with and without the impact of decommissioning) and as a result of the implementation of the above transformational projects.

Underpinning the West Cumbria econometric model is Experian's fully specified UK macro model, together with Experian's experience of modelling the economies of the North West. The North West model is a fully specified quarterly macroeconomic model run on a monthly basis and continuously updated for new data releases.

The table below shows the preliminary results of the econometric modelling. Overall we estimate that successful interventions are expected to deliver around £700 million of net benefits to the West Cumbria economy on the base case. Demand drivers account for over three-quarters of the total economic impact, with the remaining one-quarter due to being supply side interventions. Whilst the focus is on demand side interventions, it is important to stress that many of the demand benefits are contingent on the supply side enables such as quality services, transport and land and property also being delivered.

Table 1-4: Employment and GVA under the Masterplan Delivery Scenario

	Jobs (FTEs) 2026	GVA £ million 2026
Key demand drivers		
Skills and enterprise	3,500	200
International cluster	6,000	300
Decommissioning	2,000	80
Tourism	1,000	30
Key supply enablers		
Quality services and facilities*	2,000	40
Transport	500	20
Land and property	500	20
Total	16,000	700

Source: Experian, Grant Thornton (* safeguarded jobs) [Preliminary estimates subject to change]

With successful interventions, the West Cumbria economy will be some £700 million higher than it would otherwise be (ie. with no action). Successful interventions also raise the economy above what would be the case if Sellafield continued on operating rather than being decommissioned (with GVA £300 million higher than under the counterfactual).

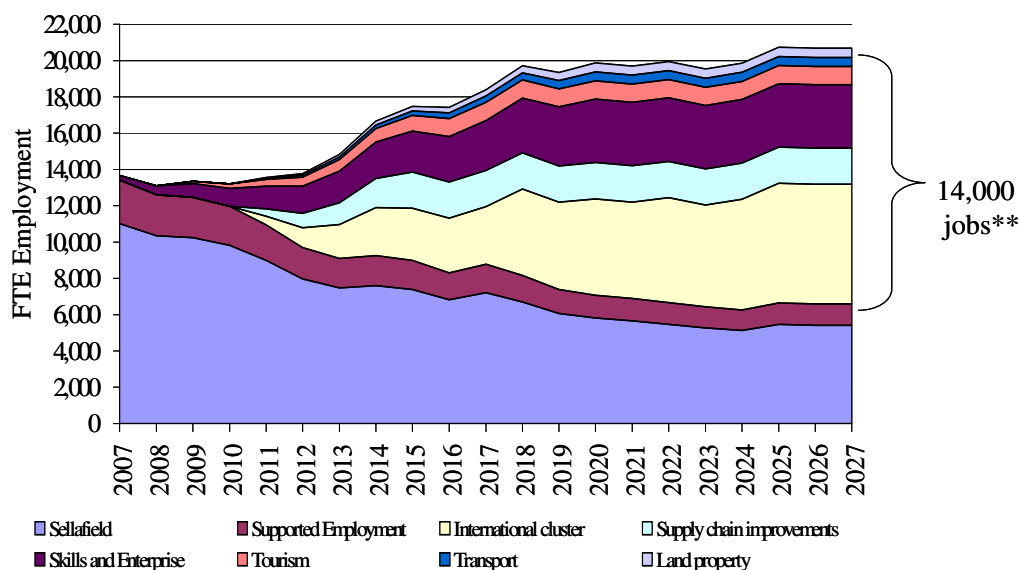
Table 1-2: The size of the 2026 West Cumbria economy under various scenarios

	2026 GVA (£ million)*	
	West Cumbria total economy	Total benefit
Closure of Sellafield (‘do nothing’ or ‘with decommissioning’ scenario)	2,900	0
Continued operation of Sellafield (‘no decommissioning’, ‘counterfactual’ or ‘as-is’ scenario)	3,300	+400
Delivery of the masterplan (‘implementation of the masterplan’ scenario)	3,600	+700

Note: * in 2006 prices.

The potential impact on employment by industry is outlined in the diagram below:

Figure 1-3: Employment in West Cumbria under the Masterplan Delivery Scenario



** not including additional 2,000 safeguarded (health) jobs

1.16 Implementing the Masterplan

The 'rewiring' of the West Cumbria economy will change the quantum and nature of investment required by the public sector. A key output of the masterplan is to set out what investment should be made, based on clearly defined need, and how this departs from the existing baseline investment.

The following table summarises the key projects within the draft Masterplan. Indicative costings have been identified for the projects within the Masterplan.

Table 1-5 : Projects and Indicative Costs

Project	Cost
Cluster, Technology and Diversification	£163-£263m
Expand the National Nuclear Laboratory	£100m-£200m
Lobby on the sale process for BNG	£100k
Support programme to capture benefits of decommissioning	£3m
Diversification Fund and Commercialisation support	£10m
Development of a technology centre	£20m (within NNL)
Development of enterprise hub network (six centres within sub region)	£30m
Skills	£125m
Sellafield re-training, re-deployment service	£20m
Delivering the University for Cumbria	£100m
Development of a multiversity partnership approach with leading academic institutes in the UK and beyond	£2-5m
Transport	£1,062m
Inter sub regional transport improvements	£47m
Improve strategic road linkages from West Cumbria	£350m
Improve rail infrastructure and connections to West Coast mainline via Carlisle and to the south	£135m
Support development of Carlisle airport services and related road improvements	£50m
Develop bridges to connect south Copeland directly to the M6	£450m
Port and marina infrastructure at Workington, Whitehaven, others	£30m

Project	Cost
Quality Services	£407.5m
Undertake project to attract, reward and retain the best teachers	£2.5m (5 years)
Development of new hospital and health campus concept	£300m
Investment in new schools through BSF and Academy	£100m
Strong communities	£5m
Improving delivery capacity in Local Authorities	£10m
Property	£235m
Increase quantity and range of residential accommodation being developed within key conurbations and market towns within the sub region	£100m
Focus on the development of strategic commercial sites	£125m
Tourism	£120m
Conference destination	£15m
Development of a leisure product at Dent	£15m
Development of a coastal visitor facility	£15m
Develop cultural and leisure facilities including: rugby facilities, swimming pools, cultural and civic centres, cycle paths	£50m
Derwent Forest	£25m
Total	£2.2-£2.3 bn

Source: Grant Thornton Estimates

1.16.1 Timing of Investments

Important to maximising the opportunities from the projects will be the right timing and phasing of projects. In considering the optimal timing, there are a number of factors to be considered. These include the:

- 1) impact on the community, in terms of confidence in the future of West Cumbria, and the readiness of local people to stake their future on the area
- 2) impact on investor confidence and willingness to invest in West Cumbria
- 3) economic drivers and having the right ingredients in place to achieve economic growth in the future
- 4) delivery capacity and funding constraints
- 5) ability to achieve quick wins

The first two factors relate to perceptions and building confidence in the prospects for the region, whilst the third factor is about identifying the key catalytic impacts and then making sure that there are no fundamental barriers to growth. The final factor is about what is practicable, particularly where central government funding is required.

On the basis of these factors, maximum benefits will be gained through undertaking those projects that have greatest visible impact on the quality of life of those people within West Cumbria, those that set the framework for future achievements (and hence support investor confidence), and those that will ensure that West Cumbria starts on the front foot and can capture benefits as they become available.

Where there are externally imposed barriers to timing, such as the timings set out in advance for BSF, then there is a limit to how much these can be flexed. However, alternative actions that will result in "quick wins" can be commenced beforehand, for instance, improving the quality of teaching staff in advance may enable maximum benefit from BSF.

A number of investments will be continuing. For instance, commercial development will be required on an on-going basis to meet the needs of inward investment and local businesses. For some areas of investment, projects will be phased. For instance, there will need to be a number of investments in cultural and sporting facilities, and there are a mix of proposals being taken forward currently as well as less well those identified as potential future projects.

An issue identified through the project process has been a lack of engagement by the community in the delivery of projects, and this is partly a result of past experiences of non-delivery of projects.

The following table sets out the potential phasing of investments included in the plan.

Table 1-6: Phasing of Projects to Deliver a Transformation for West Cumbria

Phase 1	Lobbying activity around the BNG sale
	University for Cumbria
	Support programme to maximise benefits from decommissioning
	Branding and marketing of West Cumbria
	Schools: Support for teachers at schools most in need, deliver the Academy
	Planning of upgrades to health facilities
	Environmental programme of town centre and coastal improvements
	Delivery of leisure and cultural facilities
	Planned transport improvements within West Cumbria
	Lobby for road improvements around Carlisle in advance of new air services commencing
	Develop an airfield within West Cumbria for private air services
	Improve rolling stock on trains, review timetabling to improve connectivity
	Commence redeployment/retraining programme, delivery through enterprise centres
	Expand existing commercialisation support
	Commence investment in strategic commercial sites - starting with top 2 priorities:
	Investment in housing
	Development of first hotel in town centre location
	Improve attractions, signing and promotion of tourism
	Identify required reorganisation of delivery agencies to achieve plan
Phase 2	Actively expand the National Nuclear Laboratory to other energy, environment and technology (National Energy Laboratory) potentially through private sector partnership
	Expand the University of Cumbria within West Cumbria
	Encourage research collaboration
	Expand on enterprise network facilities
	Release the diversification fund
	Develop further key sites for investment
	Continue investment in housing
	Continue investment in environmental programme
	Plan for BSF
	Commence development of a new hospital
	Undertake selective improvements to strategic road linkages
	Continue the delivery of the leisure and cultural asset programme
	Undertake rail track improvements and gauge improvements, increase rolling stock
	Develop a conference facility and further hotel facility
	Deliver Derwent Forest and Dent attractions
	Achieve National Coastal Park status and commence a programme of works to remediate coast
	Implement reorganisation of agencies to streamline delivery agencies and build capacity
Phase 3	Deliver BSF
	Deliver a new teaching hospital
	Develop a multiversity within West Cumbria to increase research and academic capability linked with the NEL
	Develop the technology centre within the NEL to support the development and commercialisation of new products
	Further improvements to road linkages, south of Millom and north to Carlisle
	Develop further commercial sites
	Continue investment in housing
	Investment in coast and develop a coastal visitor facility
Phase 4	Investment in marinas
	Develop a health campus
	Expand research facilities and public/private collaboration
	Expand a multiversity
	Private sector led commercial and housing development

	Individual communities developing projects to secure new residents and investment
	Deliver cruise and ferry facility at Workington Port
Phase 5	Consider opportunities to develop bridges from south Copeland to the M6
	Consider opportunities for upgrading the airfield in West Cumbria to an air port
	Review requirements for the release of land for commercial premises

The delivery of this plan will require the commitment of the local community, as well as coordinated action from key bodies including local authorities (Copeland and Allerdale), regeneration agencies, business and community organisations, the County Council, the Northwest Regional Development Agency and Government Office for the North West.

In planning for the projects identified above, the Strategic Environmental Assessment (SEA) Directive and Cumbria sustainability framework will need to be considered. Cumbria County Council, as the responsible authority, is required to carry out or commission an environmental assessment during the plan preparation stage of plans which are likely to have significant environmental effects. It will be essential to integrate environmental consideration into the preparation and adoption of plans and promote sustainable development. The environmental report produced should be used to mitigate any negative effects of the project or plan. Any impacts must then be monitored.

1.17 Corporate planning

In developing the initial corporate plan, we have identify the key priority projects as determined to date; the likely cost of this investment programme, how it should be funded, delivered and the economic indicators that should be used to assess the relative performance of the Masterplan going forward.

Twenty six key interventions have been identified. These reflect a broad range of actions across the thematic areas developed in the business plan. Each in their own way should make a significant contribution to the economic transformation of the area. The total cost of these project alone amount to some £2.2-£2.3 billion. Assuming they would be delivered over a seven to ten year time horizon this would equate to an additional 15% of total public sector expenditure in the sub region per annum over this initial investment period.

We recognise that this is a significant scale of investment and may not be capable of being justified on pure economic regeneration grounds. West Cumbria will need to develop a case which brings it firmly into the national context though its ability to generate significant additional economic benefits for the country through its skills and expertise in the energy sector.

Central to achieving the vision set out in the masterplan will be an understanding of the broader policy framework within which it is to be delivered. The Lyon's Review and the Local Government White Paper represent two major policy measures impacting on local government. The White Paper is the beginning of a fundamental shift in the relationship between central and local government which aims to give local partners more control in local areas, whilst the Lyon's review is calling for further flexibility for local authorities to operated in ways they see fit to meet the needs of the local population. These developments represent an opportunity for local governments to take a greater role in shaping the future of West Cumbria.

In looking at the funding mix, and subject to being able to articulate the case, there is clearly a strong leadership role required from central Government through funding to NWDA, NDA, health and education agencies and the Cumbria Partners to secure the investment package required. There will also be a need for funding directly from central government agencies, such as health and education authorities.

Even with this level of commitment, such a programme could not be funded by the public sector alone and private finance would be required to be levered into the overall investment package by direct investment, cross subsidy through other forms of development (for example housing) and using longer term debt and equity type investment models (for example PFI). However, given the state of the current market with so little private sector activity there is a requirement for a significant pump priming investment by the public sector.

The scale of the investment proposed within the sub region suggests a significant ramping up of the delivery capacity and capability within the sub region. These issues need to be discussed with the partners as part of the ongoing development of the masterplan.

Under current arrangements there appears to be a lack of capacity to delivery projects on the ground. In looking at possible models we would suggest that the partners consider:

- greater levels of joint working and a joint team approach around major projects and programmes within the sub region. To some extent this already happens but it may be that the prioritisation should be around a smaller number of high impact projects;
- the co-joining of the various business support agencies into a single business focused entity;
- greater focus on the land, property and infrastructure agenda through WLR/LAs with potential support from the private sector through an investment fund or joint development vehicle.

In particular, we believe there may be opportunities to develop a land and property based vehicle operating at a sub regional level to secure a wider range of development activity through which housing based schemes can cross-subsidise other forms of more marginal development. More localised development companies could also be established to drive forward small area focussed transformation plans.

In managing the economic transformation of the sub region, we have identified a number of indicators (GVA, average earnings, business start up, inward investment, skills and qualifications, R&D expenditure etc) which will be further developed through the corporate planning process. These indicators cover the primary indicators of economic and social well-being.

The draft masterplan articulates the broad trajectory of the masterplanning process, identifying the issues which need to be addressed, a vision for the sub region and the specific areas of intervention proposed. It goes on to outline the priority projects and the likely scale of the initial investment plan. In finalising the masterplan, these themes will need to be refined through the corporate planning process.