

**FURNESS & WEST CUMBRIA HOUSING MARKET RENEWAL BUSINESS
PLAN II**

EXECUTIVE MEMBER: Cllr George Clements
LEAD OFFICER: Mike Tichford, Head of Regeneration
REPORT AUTHOR: Liam Murphy, Chief Executive

SUMMARY AND RECOMMENDATION:

The West Lakes Renaissance Board has approved a business plan for a new 3 year programme for housing market renewal. The Executive is asked to note the plan, to endorse it and to require regular reports updating on the progress of the delivery of the plan.

1. INTRODUCTION

- 1.1 West Cumbria and Furness achieved housing market renewal status in 2006 and there is currently a 2 year programme for the first wave of funding. The funding for the second wave for the next 3 years is conditional upon a business plan being approved by the Department for Communities and Local Government.
- 1.2 The content of the business plan in relation to Copeland has been agreed between the Council, Copeland Homes and West Lakes Renaissance.
- 1.3 This report presents the business case to the Executive for endorsement.

2. OPTIONS TO BE CONSIDERED

- 2.1 The new business plan for HMR was approved by the West Lakes Renaissance Board on 24th October 2007 and was submitted to CLG on the 2nd November. A decision is expected on the business plan sometime in the New Year/February.
- 2.2 The Executive still has the option not to endorse the business plan, however, this could jeopardise the HMR programme for Copeland, Allerdale and Barrow.

3. CONCLUSIONS

- 3.1 Housing Market Renewal is nationally significant regeneration programme.

- 3.2 This is a key opportunity for Copeland to address its wider housing demand issues.

4. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

There are no direct financial implications for the authority but the new programme would continue to utilise established resources. The accountable body for the programme would not be the Council, however, the Council's role as the Strategic Housing Authority is key to the delivery of the programme.

5. IMPACT ON CORPORATE PLAN

Substantial, given the links between housing and health, community safety, environment, education, etc. Housing Market Renewal is one of Copeland's key regeneration programmes and has numerous links to other thematic community initiatives.

List of Appendices

Appendix A – Furness and West Cumbria HMR Business Plan 2008 - 11 –

Issued Separately

List of Background Documents:

None.

List of Consultees:

Leader
Deputy Leader, Achieving Transformation
Deputy Leader, Promoting Prosperity
Chief Executive
Corporate Director, Economic Prosperity & Sustainability
Head of Regeneration
Regeneration Strategy Manager

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	Will make homes more secure and reduce the number of void housing.
Impact on Sustainability	Will improve the quality of the housing

	offer in deprived communities.
Impact on Rural Proofing	None
Health and Safety Implications	None
Impact on Equality and Diversity Issues	It will allow access to better quality housing.
Children and Young Persons Implications	Housing Market Renewal delivers improved living space including new resources for your people.
Human Rights Act Implications	None
Section 151 Officer Comments	
Monitoring Officer Comments	

EXEC 271107
ITEM 13
APP A

Furness and West Cumbria Housing Market Renewal Business Plan

April 2008 – March 2011

Final Submission – 2nd Nov 2007

1.0 CHAIRMAN'S STATEMENT & EXECUTIVE SUMMARY

I am delighted to introduce the Housing Market Renewal Business Plan for Furness and West Cumbria. This is an opportunity for us to review our achievements to date, but, more importantly, it allows us to look forward and plan with more confidence a restructured housing offer that can better support our ambitious economic development proposals.

It is worth reflecting that it is just 18 months since we had our Housing Market Renewal status confirmed by CLG. Over this very short period of time we have pulled together an effective and deliverable programme. We have "hit the ground running" and put in place sound and robust systems for management and governance based on our experience as a URC. Together with partners, we see ourselves not as a Pathfinder but more as a deliverer of practical Housing Market Renewal solutions.

We can demonstrate that the work now underway is already making a real difference to our neighbourhoods. The potential to secure longer term funding provides us with the opportunity to develop our housing market renewal programme with clarity and certainty. This certainty is the essential element to secure a stronger framework of engagement with the private sector – the critical success factor of our next phase of work

The integration of housing with economic development remains at the heart of our strategy. As we said in our 2005 Prospectus, HMR funding is needed primarily to give housing regeneration activity across Furness and West Cumbria a clear economic focus. This message has been strongly reinforced by running the programme through West Lakes Renaissance - the Urban Regeneration Company for the area.

There remains much to do. The existing housing offer is unable to support our economic development ambitions because it is of the wrong type and quality to retain and attract the economically active households that we need to drive our development agenda. As the information in section 4 clearly illustrates, our markets remain weak in regional and national terms because of this imbalance and decades of under-investment in housing

Furness and West Cumbria is geographically the largest of all the Housing Market Renewal areas with a two hour travel-time from Barrow to Maryport. It is no surprise therefore that this is not a homogenous housing market but two distinct ones - West Cumbria (Allerdale and Copeland) and Barrow-in-Furness – that have some common features but also possess a number of quite distinct characteristics.

What they have in common is that they do not have a fit-for-purpose housing supply and this is holding back economic development. Both markets have a preponderance of small, poor quality rented accommodation at the lower end of the market and a lack of larger aspirational homes at the higher end.

Updating the evidence for our 2005 Prospectus through further economic, housing and demographic analysis has shown that:

- With 58% of all sales being in the bottom price quartile, there remains long term sectorial market weakness in Barrow stemming from an oversupply of small terraced stock and limited expected population growth

- There is rising demand in West Cumbria but the supply and nature of the housing offer, in particular the large monolithic social housing estates, of the coastal urban settlements can not currently meet this

We know there is a need to widen housing choice, especially by providing larger homes, to underpin economic development proposals.

The economy in Furness and West Cumbria is currently still fragile. West Cumbria's last traditional heavy industry disappeared in 2006 when Corus closed the steel manufacturing operation in Workington. The sub-regional economy now has an over reliance on Sellafield which is itself entering a decommissioning phase. There are, however, grounds for a new optimism in particular stemming from the sustained priority given by the Regional Economic Strategy and Government support for our Energy Coast Master plan TM.

Our work is now producing concrete results: the recent announcement of a new shipbuilding contract bringing with it 850 new jobs from 2009 in Barrow; the development of the Barrow Waterfront; the realisation of a University for Cumbria and the new academy schools; the major investment now being provided by the Nuclear Decommissioning Authority and the Nuclear Skills Academy to be opened in 2008; and the redevelopment of Workington town centre completed last year.

Our Housing Market Renewal programme will continue to address the underlying market weaknesses to support these opportunities. The programme is neither about delivering major housing growth nor coping with major decline in demand. It is focused on restructuring the nature and quality of the housing offer to stabilise migration by meeting the raised aspirations of communities stemming from the increased economic opportunities brought by the Barrow and Britain's Energy Coast TM master plan

Ours is a diverse housing market and going forward there is no one simple solution – in some areas there is scope to better use the existing stock, in others there are great opportunities for new schemes with private developers, while in others there is a need for more fundamental restructuring. In all cases the solutions are complemented by enhancement of quality of place as part of a wider suite of regeneration activity. Getting the right tailored solutions will be achieved by ensuring we continue to see HMR as an integral part of, and adding value to, our Community Strategies.

The next phase of HMR investment is an essential element of our wider regeneration plans. We have worked up a proportionate, deliverable programme which is geared to bring about housing market stability based on a more diverse local economy. It is based on a realistic assessment of foreseeable economic and social need and will be developed with new ways of working and new partnerships that will allow opportunities to be fully exploited.

To sum up, this is an exciting time for Furness and West Cumbria. There are major opportunities set out in the "Energy Coast Master plan" but if we are to realise the opportunities we need to tackle the many problems including our housing infrastructure.

We have achieved much in the first phase of HMR in a relatively short time. The next phase detailed here will build on this work and will lead to real uplift in quality of life in our communities and I commend the plans set out in this paper for support.

Bob Watson

Chair
West Lakes Renaissance

2.0 MISSION, OBJECTIVES AND DELIVERY

2.1 Introduction

The Furness and West Cumbria Housing Market Renewal Business Plan has been developed in partnership between West Lakes Renaissance (WLR); Barrow, Copeland and Allerdale Borough Councils, Cumbria County Council and key RSL partners. English Partnerships, GONW, NWDA and private developers have also been consulted and provided invaluable direction and guidance.

In 2005 we completed a Prospectus that set out our aspirations to create the right housing for sustainable communities to support the new economy in Furness and West Cumbria. In 2006 we were awarded £9m by CLG through WLR, with matched funding from the North West Regional Housing Board (RHB).

This Business Plan builds on the Prospectus and seeks support of a further £9m HMR and continued flat lined resources from the RHB to implement the next phase of that strategy. It updates the picture for Furness and West Cumbria to reflect the changing environment in both housing markets and the wider economic regeneration agenda.

The Plan sets out how we will continue to tackle the imbalances in our housing markets to support and to align this activity to sub-regional and local regeneration strategies to strengthen the future economic growth prospects of the area over the next 15 years. It articulates how the strategy will be turned into action and sets out a series of ongoing and new interventions running up to March 2011.

The following section explains our objectives, principles and framework programme of interventions and how these have been progressed or modified to reflect the drivers of economic change over the next three years.

2.2 Mission Statement and Objectives

Our Mission Statement remains ***to create the right housing for sustainable communities to support the new economy in Furness and West Cumbria.***

Underpinning this are the following objectives:

To support economic development

- Providing the right housing offer to help grow our new economy
- Creating the right conditions to retain and attract people to make their careers and homes in Furness and West Cumbria

To provide the right homes in the right places

- Creating a more balanced housing market by providing a better range, choice and quality of homes to support the way in which people want to live today and tomorrow
- Work pro-actively to optimise the potential of future economic and population change
- Developing holistic solutions for neighbourhoods where there are concentrations of obsolete houses

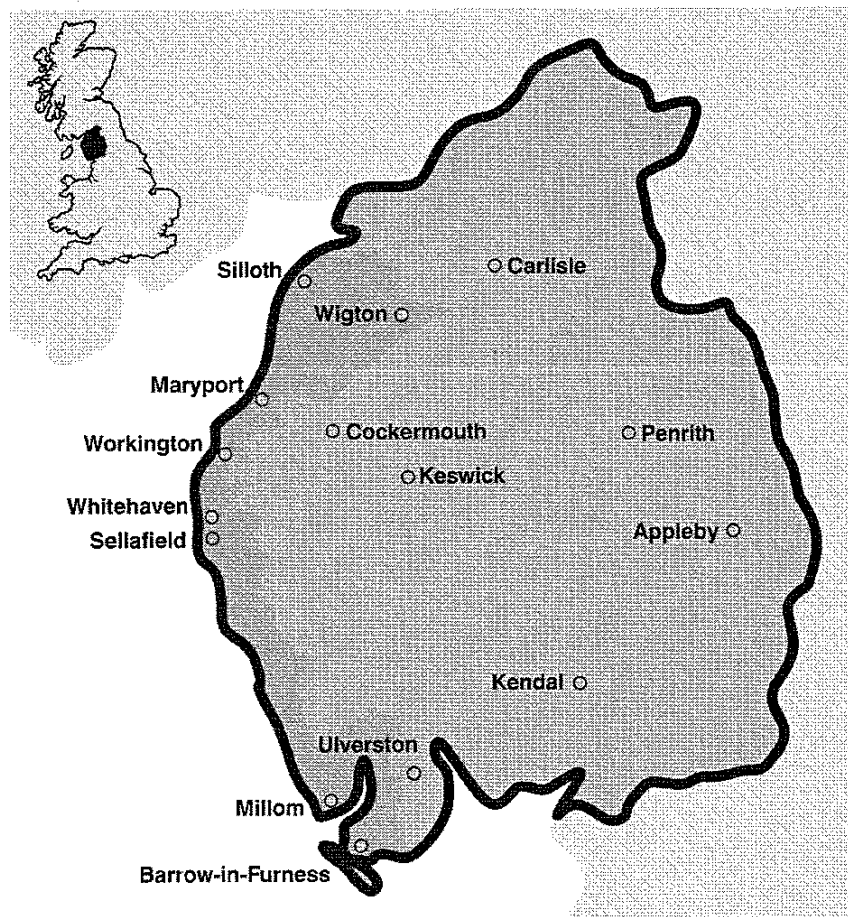
To help create sustainable communities

- Creating places where people want to live, work and invest
- Ensuring that people have access to decent homes where they can afford to live
- Enhancing the role of housing in making sure that our neighbourhoods work well and are popular
- Improving the quality of the Furness and West Cumbria environment

2.3 Delivering Housing Market Renewal in Furness and West Cumbria

The Furness and West Cumbria Housing Market Renewal Area boundary covers the travel to work areas of Barrow-in-Furness, Whitehaven and Workington.

Figure 1 – The Furness and West Cumbria HMR Area



Interventions have been focused, however, solely in the four main urban settlements of Barrow, Maryport, Whitehaven and Workington to ensure that:

- A strengthened housing offer best supports the areas of greatest economic activity and potential
- Within those urban centres, activity addresses the greatest concentrations of multiple deprivation and housing market weakness and is aligned with local Neighbourhood Management initiatives to provide coherent interventions

- Finite resources are not being stretched too thinly. Targeting a small number of key projects in these towns will ensure maximum impact from limited resources. Such targeting is the most sustainable in terms of service delivery, environment and accessibility
- The best opportunities for truly sustainable development are progressed

2.4 **Approach**

Based on updated analysis of the existing and future housing market, population and economic trends, the principles of the existing HMR strategy remain valid. This is not about delivering major housing growth nor coping with major decline in demand, rather it is focused upon restructuring the nature of housing markets to meet the raised aspirations of our communities and economic opportunities.

The ability of an area such as Furness and West Cumbria to maximise its economic opportunities is dependent on many facets – accessibility, the availability of sites for redevelopment, a skilled workforce, and wider economic stability are all important. The economic principles upon which our HMR programme for 2008-2011 is based assume:

- Modest growth in manufacturing in the period to 2011, resulting from increased activity in Barrow in particular, increasing the demand for skilled workers
- Continued growth and diversification of the service economy
- Population stabilisation, and in particular a slowing down of outward migration of the economically active

The potential for substantial growth as envisaged under the Britain's Energy Coast has not been built in directly, as this is a longer term goal, but we have developed proposals to pave its way and to create the right housing environment for its successful implementation.

As with all investment plans such assumptions need to be risk assessed. This and its implications for the HMR programme are assessed in section 8.6.

The scale of intervention needed in Furness and West Cumbria for HMR is not of the same magnitude as for most of the Pathfinders. We have drawn from their experience, however, and during the life of our programme we have striven to understand the lessons they have learnt to help practically inform our interventions. In particular we are now using their experience in securing private developer partners in our own selection process as we move to rebuilding neighbourhoods in the period 2008-11

Furness and West Cumbria is geographically the largest of all the Housing Market Renewal areas. There are over 60 miles and poor road links between Barrow and Maryport. Consequently this is not a homogenous housing market but two distinct ones - West Cumbria (Allerdale and Copeland) and Barrow-in-Furness – that have some common features but also possess a number of quite distinct characteristics

What they have in common is that they do not have a fit for purpose housing supply and this is holding back economic development. Both markets are imbalanced in that they are over dominated by small, poor quality rented accommodation at the lower end of the market and lack sufficient larger aspirational housing at the higher end.

They are both also influenced to a degree by the other housing markets in Cumbria, particularly those operating in and around the National Park area, and in places by changes in housing markets as far afield as London, given the high incidence of second home ownership in the Region and demand for investment properties. In recent years this impact has been felt most strongly in West Cumbria as section 4 details.

Despite these rises, housing in the HMR area is for the most part affordable per se – this is not the core weakness of the market. The central issues are the poor standard of some of the existing stock, limited range of house types and size, tenure imbalance, as well as the need to raise the wider quality of neighbourhoods. One of the main issues has been the inability of the sub-region to meet the latent demand for larger homes. This can be addressed by building out; we need to support Local Authorities to increase delivery and completions and to influence the local implications of regional spatial planning.

It has always been clear that Barrow has the greatest depth of market weakness and therefore we have prioritised interventions in the coming programme accordingly.

The West Lakes towns have different supply issues and population projections. There is evidence of growing housing need and of continued poor stock condition problems which make for a considerable challenge in meeting decent homes targets. Whilst HMR has a role in developing the market conditions that will help underpin changes to tackle these kinds of issues, it is not its primary role. HMR must be informed by and help influence the Cumbria and Regional housing strategies. However, the importance of ensuring that HMR fully integrates with the neighbourhood management interventions as part of Sustainable Community Strategy, and most presciently the Energy Coast Masterplan is paramount. The spatial differences of the programme are driven by the revised market analysis in section 4 and are detailed in section 6.

3.0 NATIONAL AND REGIONAL CONTEXT

The success of HMR in Furness and West Cumbria is dependant on its integration with strategies which guide economic and community regeneration. This has been achieved by the programme being co-ordinated by WLR, which has produced significant coherency and additonality benefits by committing 'at source' NWDA investment to deliver physical and infrastructure changes alongside HMR funding. The programme is integrated at the district level through the LSPs and in direction by a suite of sub-regional, regional and national policy objectives.

3.1 At the District Level

The way forward at a local level is described in more detail in section 6 but it is worth highlighting that the programme is an integral element of both the Barrow and West Cumbria LSPs Sustainable Community Strategies.

Barrow's new Community Strategy is currently the subject of consultation. Housing is identified as a key priority, with actions to tackle the fragility of the market and need to widen choice through transformational activity being highlighted.

“Future Generation” - a strategy for sustainable communities in West Cumbria has only just finished an extensive consultation exercise and is to be formally launched in November 2007. It covers a diverse set of housing markets including those on the edge of the Lake District National Park but stresses the need to improve and rebalance the housing offer.

3.2 At the Sub-Regional Level

There are now two critical strategies in the sub-region that drive HMR investment:

- WLR Business Plan provides the platform to integrate the HMR programme with wider regeneration initiatives
- Cumbria Sub-Regional Housing Strategy guides what investment is required in the housing stock and where it must be targeted.

In addition, work is now well advanced with the Energy Coast (West Cumbria Spatial Masterplan) and the Barrow Masterplans.

West Lakes Renaissance Business Plan

WLR's mission is to 'renew the economy of Furness & West Cumbria through the co-ordinated delivery of infrastructure, new skills and sustainable communities'.

Its Business Plan establishes the primacy of the mutual dependence between the development of a new diverse economy and of a more rounded housing offer based on choice, quality and a good environment.

The Plan describes how it will deliver the mission through nine priority action areas, including HMR. In particular HMR intervention is aligned with investment in the themes of Sustainable Communities, Industrial Transition, Knowledge and Education, Culture and Creativity and Coastal Renaissance/Place Making.

The Plan provides the framework for WLR to integrate HMR with the other priorities and other funding streams, notably NWDA and European, which in turn synergises regeneration and simplifies the conditions for private sector investment.

These connections are most evident in major infrastructure developments such as Barrow Waterfront, Whitehaven's Pow Beck Valley and Derwent Howe/Port Derwent in Workington. However, WLR also shapes important investments in neighbourhoods, such as the development of a new shopping offer in Workington's Moorclose, which are lower profile but just as important to our local communities.

Britain's Energy Coast – A Masterplan for West Cumbria (2007)

This Energy Coast Masterplan was submitted to the Secretary of State for Trade and Industry in June 2007 by a team headed by Jamie Reed MP, Chairman of West Cumbria Strategic Forum. It aims to develop the strengths and assets of West Cumbria in delivering a major contribution to future UK energy and environmental needs. It advocates diversification from an over reliance on Sellafield, to an economy which is competitive in the wider energy and environmental sector.

Key to this is the ability to resolve four main challenges:

- Be recognised as a world leader in energy, building on nuclear assets and technological/ research strengths
- Be a strong, diversified and well connected economy with a growing, highly skilled population
- Project a positive image to the world, and be recognised as an area of scientific excellence, outstanding natural beauty and vibrant lifestyle, which attracts a diversified population and visitor profile
- Provide opportunities for all its communities, where geography is not a barrier to achievement and where deprivation, inequality and social immobility have been reduced

The Masterplan sets out a series of proposals and interventions relating to commercial activity, employment, transport and planning. Housing has a key role to play in supporting the objectives of the Energy Coast, particularly in terms of improving the quality and diversity of the offer in West Cumbria.

Ministers, including Alistair Darling, praised the Cumbria Partners for presenting an “impressive” and “coherent” Masterplan that was “consistent with Government thinking”. Further dialogue is to take place between the relevant Government departments and West Cumbrian Partners to explore the components of the masterplan in detail. As per the Ministers instruction the Strategic Forum will meet again in 2008 to take an overview of progress.

Barrow Port Masterplan (2004)

The objectives of Barrow Port Masterplan are enshrined in the Barrow Waterfront initiative, which has framed a current tender exercise with private developers. Its mission is to ensure that the town develops into a place where people want to live and work by providing new jobs, helping to diversify the town's economy and raising private sector confidence in Barrow as a place to invest.

A substantial 10-year programme has been launched which includes a major employment park focused on technology-based business, a housing development comprising 650 new homes, new hotels and restaurants and recreation facilities including a marina, watersports complex and nature reserve. HMR investment is vitally important in ensuring that housing in adjacent neighbourhoods provides a complementary offer - widening housing choice.

Cumbria Housing Strategy (2006)

The Cumbria Housing Strategy is the first fit for purpose sub-regional housing strategy in the country. This work is led by a group of Members and senior officers representing the 6 Local Authorities, County Council and RSLs. It ensures the HMR sits within a wider framework and seeks to produce a balanced housing market across the County. Work is now underway to strengthen the links with the planning system by integrating with the series of area based detailed Housing Market Assessments that were used to inform the Draft RSS.

The strategy is performance managed and aligned with other key policies through the Cumbria Local Area Agreement led by the Cumbria Strategic Partnership. This sets a series of housing targets for partners, including WLR, primarily in the Economic Development Block.

Cumbria Vision's Cumbria Economic Plan (2007)

Cumbria Vision's Economic Plan for 2008-11 determines that the County has both an aspiration and an obligation to create 'balanced and sustainable housing markets across the whole County' as an integral part of the overall economic plan. Whilst in much of Cumbria the key issue towards achieving this objective is tackling affordability, the Plan makes explicit the commitment to support the development and continued implementation of the HMR Programme for Furness and West Cumbria.

3.3 At the Regional Level

Regional Housing Strategy (2005)

The Regional Housing Strategy (RHS) sets out a comprehensive view of the strategic housing issues facing the North-West and is based upon a vision to:

"Deliver a housing offer that will promote and sustain maximum economic growth within the region, ensuring all residents can access a choice of good quality housing in successful, secure and sustainable communities."

In this regard, the RHS identifies four key priorities for the future:

- Delivering urban renaissance
- Providing affordable homes to maintain balanced communities
- Delivering decent homes in thriving neighbourhoods
- Meeting the needs of communities and providing support for those who need it

The RHS cites Cumbria as the worst performing sub region in England, in terms of economic growth, and identifies parts of Furness and West Cumbria as exhibiting the characteristics of unbalanced housing markets and low demand.

This recognition was supported by both significantly enhanced capital allocations to all three Local Authorities for 2005/6 and 2006/7 and by an additional £10m resource to the Cumbrian Strategic Housing Group to develop innovative ways of increasing the supply of affordable housing across the whole of the County.

The Strategy is not set in stone and must be sufficiently flexible to respond to the considerable housing market change in the Region, with most areas experiencing considerable house price inflation since 2005 driven by real rises in income based on economic growth, low interest rates and strong demand for "buy to let" properties, even in many previously "low demand" areas.

To ensure this happens the North West Regional Assembly published an up to date Housing Statement in September 2007, to flag up key market changes and suggest initial policy responses for the next RHS. This document confirms the importance of continued funding for housing market renewal for Furness and West Cumbria as part of this work.

North West Regional Economic Strategy (2006)

The 2006 Regional Economic Strategy (RES) identifies 3 major drivers of the economy:

- Improving productivity and growing the market
- Conditions for sustainable growth
- Growing the size and capability of the workforce

Within the second theme reducing areas of housing market failure and creating a high quality and diverse housing stock are seen as key objectives. However, it is recognised that action to improve the housing stock alone will not be sustainable unless accompanied by measure to improve the economic prospects and access to labour markets.

Priority actions within the RES, specifically relevant to Furness and West Cumbria include:

- Develop and implement the Barrow Masterplan
- Develop and implement an integrated economic plan for West Cumbria (The Energy Coast Masterplan)
- Develop the University for Cumbria at Furness College and the Lillyhall sites
- Deliver designated Strategic Regional Sites – Westlakes at Whitehaven
- Complete the West Coast Mainline upgrade, particularly in Cumbria

The RES sets the wider economic context to housing market renewal in Furness and West Cumbria, making the link between the quality of employment opportunities and specific housing objectives.

Draft Regional Spatial Strategy (2006)

The draft Regional Spatial Strategy (RSS) and details of representations made during its recent public consultation are currently being considered by the Secretary of State, with the aim of publishing Proposed Changes in Autumn 2007. Like Regional Planning Guidance before it, the RSS details anticipated requirements for new housing at a local level, based on an assessment of demand, supply and demographic data.

The RSS identifies that the main challenge for Cumbria is to secure a sustainable level and pattern of development that creates balanced communities and meets needs – including that of new jobs across the county. It sets out the overall spatial policy for the sub-region, which includes:

- Focusing development within Barrow, Carlisle and West Cumbria
- Supporting the restructuring of housing markets in Furness and West Cumbria
- Improving transport routes linking Furness and West Cumbria to the M6
- Making employment, services and education/ training facilities accessible in key service centres, especially Carlisle, Kendal and Barrow-in-Furness

Within smaller spatial areas, it is recommended that plans and strategies should focus on:

- Enhancing economic and social regeneration in West Cumbria by developing the roles of Whitehaven, Workington, Cleator Moor and Maryport in a complementary manner
- Concentrating development within the Furness peninsula in Barrow to facilitate diversification of the local economy and enable regeneration opportunities to be brought forward

The recommended distribution of housing provision across the 3 HMR Local Authority areas is detailed below.

Figure 2 - Draft Regional Spatial Strategy Allocation

Area	Annual Average Rate of Housing Provision (2003 – 2021)
Allerdale*	267
Barrow in Furness	150
Copeland*	230

* Outside of the National Park

Allerdale in particular are examining the case to seek to influence those allocations to meet the latent market demand.

3.4 National Policy

The 2007 Housing Green Paper "Homes for the future: more affordable more sustainable" emphasises the importance of growth and outlines the Government's ambition to accelerate delivery of enhanced supply. Within this drive for growth, however, there is recognition that some areas require continued support to tackle "deep seated structural problems" in the housing market.

We have already made it clear that the population projections for Furness and West Cumbria demand a strategy centred around rebalance and stabilisation rather than large scale growth. Alongside our economic development activity our HMR work will help deliver the measures needed to address some of the deepest seated market problems in the country.

Our activity is centred around economic growth. The central message of the Sub National Economic Development and Regeneration Review was that more needed to be done to encourage and coordinate economic growth and comprehensively tackle deprivation at the local and sub-regional level. It encourages local authorities and their partners to spread economic well-being and opportunity across their regions, with clear focussed, integrated and relevant objectives for promoting growth and tackling deprivation.

As the Business Plan shows, our HMR activity is economically driven and coordinated through WLR as a URC. There is a clear alignment between national housing and economic objectives, and the strategies and delivery arrangements across FWC. Our proposals will make a significant positive impact on reducing deprivation and improving the economic well-being of some of the most deprived neighbourhoods in the country.

4.0 **MARKET ANALYSIS**

4.1 **Development of Available Information**

It is only two years since detailed housing market research and analysis were completed for the original Prospectus to inform and develop our overall strategic approach. We have now reviewed this analysis and supplemented it with further research carried out on behalf of WLR in August 2007. This has considered the drivers behind the market changes since 2005 and the implications of recent Masterplans to enhance economic growth.

The headline findings of this analysis are:

- There remains long term sectorial market weakness in Barrow stemming from an oversupply of small terraced stock and limited expected population growth
- There is rising demand in West Cumbria but the supply and nature of the housing offer of the coastal urban settlements are only able to partly meet this
- There is a need to widen housing choice in all markets to underpin economic development proposals

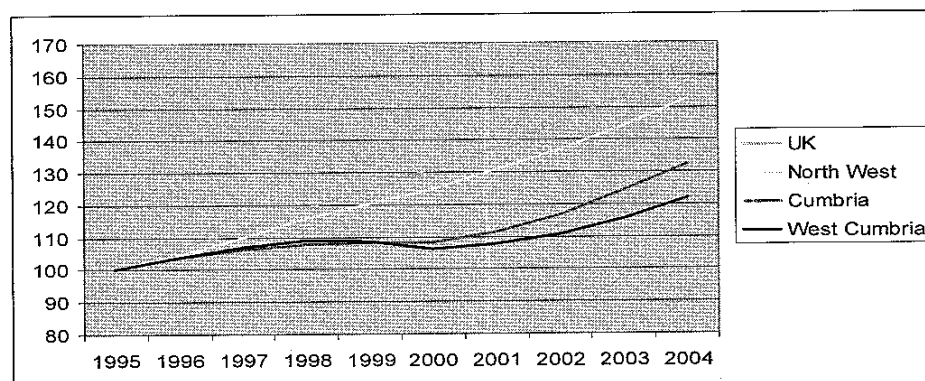
The following sections contain more detailed sub-regional profiles of economic, population, housing market, affordability and planning trends.

4.2 **Economic Change**

FWC is an area undergoing continued restructuring within its economy. Traditional large employers have announced substantial cuts in the workforce. British Nuclear Group will decommission Sellafield, where 10,500 people are currently employed, resulting in the loss of over 6,000 of the existing jobs by 2018. Corus in Workington have now ceased manufacturing in the town completely, leaving only a research & development function. The effects of these decisions have been pronounced, with such a significant concentration of local employment.

The IMD rating in respect of incomes available at ward level for the HMR area, reveal that 4 of 13 wards in Barrow are in the lowest 10% in England, with 5 of 20 for Allerdale and 2 out of 25 for Copeland.

Figure 3 - Headline GVA at Current Basic Prices 1995 -2004 (1995 =100)



Source: ONS

Whilst GVA has risen in absolute terms across the area since 1995,¹ these increases are below that experienced at a regional and national level, and as a consequence, Furness and West Cumbria's share of UK GVA have declined proportionately.

In response WLR and the NWDA are working to broaden the economic base, in particular the service and knowledge sectors, whilst ensuring growth in a restructured manufacturing industry. This is evidenced by the latest business space developed at Westlakes Science and Technology Park, Lillyhall, and the proposed business park at Barrow. The initiatives are complemented by the increased focus on education, with the recent consolidation of a number of institutions within the University of Cumbria. This is viewed as a major opportunity to retain the workforce, and particularly young people, whose skills can be developed to better align to growth sectors envisaged by the Energy Coast Masterplan.

The latest data demonstrates that the approach is working. The service sector accounts for the majority of employment but with the manufacturing sector playing a more significant role than the regional level in providing high GVA jobs. With confirmed growth and new well paid employment in this sector in the coming two years, there are obvious implications for the housing market.

4.3 Population

The populations of Allerdale, Barrow-in-Furness and Copeland have fallen significantly over the last two decades. However, since 2001 population estimates have indicated a slight recovery for Allerdale and Copeland due to net in migration. Indeed, analysis of population change at Super Output Area level reveals that the whole of the West Cumbria gained population in the period 2001 to 2005, with the exception of Workington and Barrow.

There have been two major areas of concern for some time. The first is that across Furness and West Cumbria there are lower proportions of young people and children, and higher proportions of middle aged and older people, compared to the rest of the region and that this trend has been worsening. NHS patient registration data for example, has shown a net loss of young people in West Cumbria over the period 2001 – 2004.

Following the significant investments made to address this problem across FWC, recent analysis of ONS data by WLR suggests that this position is changing, with modest growth being seen in the 15-29 cohort for the first time in many years.²

The second is the overall position in Barrow where ONS population projections have for some time shown an ongoing decline through to 2020. However, more detailed research carried out by Nevin Leather Associates (2007) indicates that the position is more stable, and that such projections appear to underestimate both current and future populations in Barrow. This, coupled with the regeneration investment in Barrow Marina and the growth in manufacturing soon to arrive in the town, does give grounds for cautious optimism that the rate of population decline is slowing considerably.

¹ Source ONS (1995 – 2004)

² Source: ONS (2006)

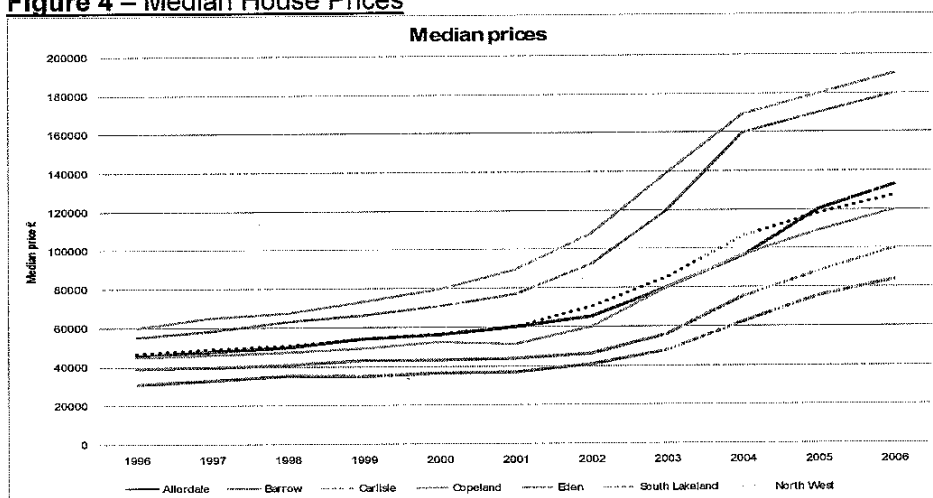
In light of these factors, this Business Plan is based on an assumption not of significant growth but of overall stability and increasing wealth in the collective population of FWC over the course of the proposed HMR programme.

A different scenario would arise from the full implementation of the Energy Coast Masterplan which would lead to substantial employment and population growth in the longer term. However, this is a 20 year plan that is still being refined and it is too early to fully respond to its implications here.

4.4 Housing Market Analysis

House Prices

Figure 4 – Median House Prices



West Cumbria as a whole remains a predominantly low value market. After a long period of limited growth, house prices in West Cumbria rose sharply in 2002 - 2004 but have since stabilised although still with an upward trend.

Despite these increases the gap with the region has not been closed - indeed the gap between the median price for Barrow and Copeland and the North West is getting wider.

In comparative terms, Barrow has the 4th lowest prices in the region and Copeland the 6th. The position in Allerdale is different as the low values on the coast are counterbalanced by very high median prices in settlements such as Keswick and Cockermouth.

Within the HMR area there has been a high volume of transactions of lower priced dwellings and relatively few of higher priced dwellings. The statistics cannot be ignored: in 2006, 58% of all sales in Barrow-in-Furness were in the bottom price quartile, reflecting significant long term sectoral market weakness in the area stemming from an oversupply of small terraced stock and limited expected population growth. The comparative figures for lower quartile house prices sales in Copeland and Allerdale were 44% and 31% respectively.

Our analysis reveals that the lower quartile price in the HMR area followed a different pattern to the median, and that prices increased by the greatest margin in the lower value areas. This may be explained by renewed activity in this

sector by first time buyers, who hitherto could have afforded a wider range of housing, and from buy to let investors.

Dwelling Type

There are significant differences in price by dwelling type as the graphs below show. Detached prices have the highest prices, and vary little across the three authorities, while terraced houses are significantly cheaper than other house types.

Figure 5 – Allerdale: Median Price by Dwelling Type

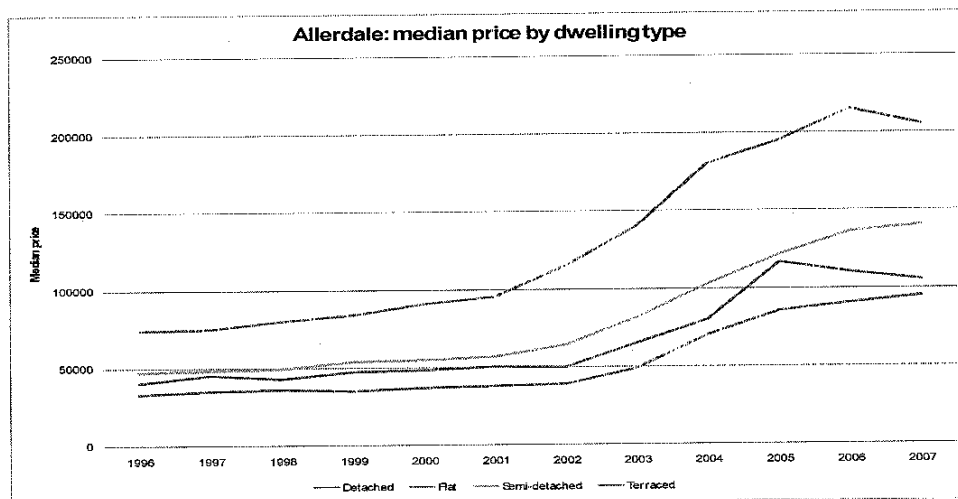


Figure 6 – Barrow-in-Furness: Median Price by Dwelling Type

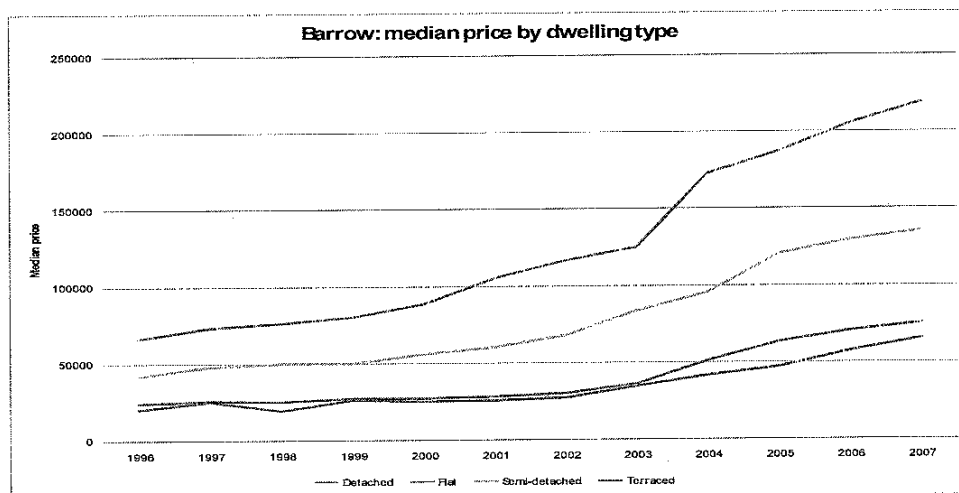
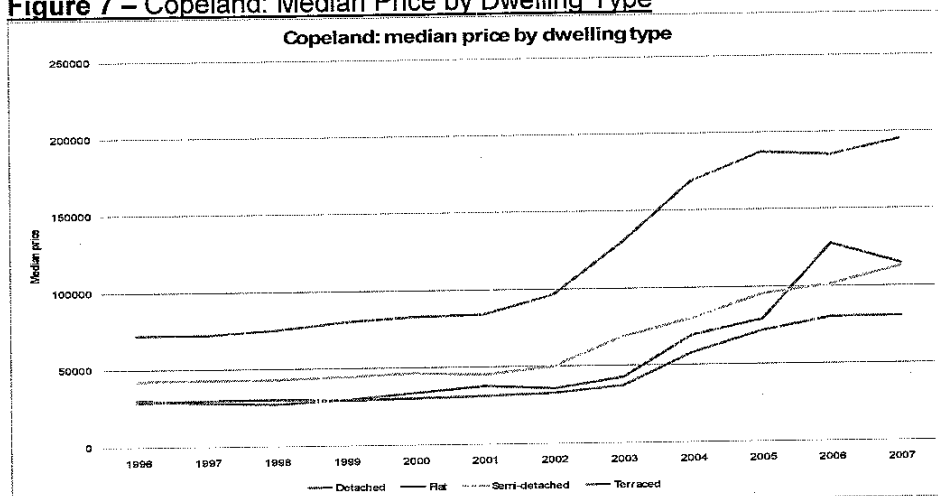


Figure 7 – Copeland: Median Price by Dwelling Type



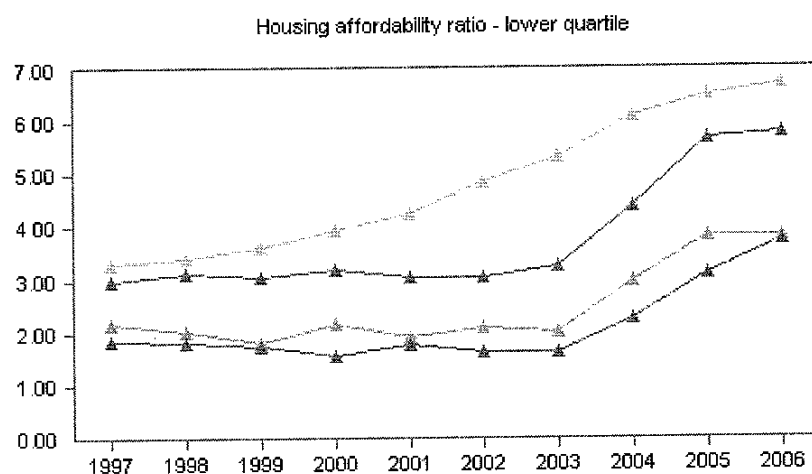
Affordability and Incomes

FWC is an area where house prices have remained affordable in relation to incomes.

The ratio of lower quartile prices to earnings for Allerdale is now close to that for the North West as a whole, but those for Barrow and Copeland remain substantially lower. Again, the position in Allerdale is distorted by higher prices in the Lakeland towns of Keswick and Cockermouth

Housing Affordability Ratio

Figure 8 – Housing Affordability Ratio – Lower Quartile



Source: Local Knowledge; Table 576 Housing market: ratio of lower quartile house
Notes: Reproduced under the terms of the Click-Use License

▲ Allerdale ▲ Barrow-in-Furness
▲ Copeland ▲ National Average

In 2006, Copeland (3rd) and Barrow-in-Furness (6th) were among the top 10 most affordable districts in England and Wales.

4.5 **The Social Rented Sector**

Across FWC in 2004 there were a total of 19,105 social rented properties, a fall of nearly 1,000 since 2000. Data from housing registers shows that demand for social rented housing measured by housing registers has increased, whilst the number of re-lets has declined. This is a result of:

- A reduction in the rate of movement out of the social rented sector
- The scarcity of new homes in the sector, particularly in Barrow
- The sustained number of Right To Buy sales, in all boroughs, particularly for larger houses

In 2006, the overall vacancy rate in the social rented sector was relatively low, accounting for 3.5% of stock across Allerdale and Copeland and a negligible proportion of the stock in Barrow-in-Furness. Although only a small proportion of this stock are long term vacant dwellings, these tend to be concentrated in pockets of highly deprived areas within poor quality monolithic stock. This represents a serious threat to market sustainability.

Overall the picture is once again highlighting the mismatch between supply and demand – there are too many small units of social housing on large unpopular estates and too few larger family homes.

4.6 **Planning**

The average annual number of completions and planning permissions are shown below in figure 9 for each local authority, alongside the number of outstanding residential permissions as at 2007. This shows that Allerdale has sufficient permission for 5 years based on take up rates, Barrow 7 years and Copeland 5 years.

Figure 9 – Planning Statistics

District	Average No of Completions p.a.	Average No of Permissions p.a.	Outstanding permissions 2007
Allerdale	129	530	679
Barrow	110	190	704
Copland	187 ³	355	882

Source: DCLG Live Tables and Local Authority data

Notably, Allerdale and Barrow have not achieved the number of completion envisaged under the draft RSS. In this regard the following conclusions may be drawn:

- There is a need to make a step change in the level of completions in Allerdale and Barrow, based on demand for new house types
- Large sites such as Barrow Waterfront, Port Derwent in Workington and possibly Derwent Forest, will have a role to play, but with a 10-year build programme will only go part of way to providing the additional homes
- The maxim of HMR in the area is sound: there remains a need for new homes on sites created by HMR funding itself

³ Excludes figure for 2006 due to abnormally high completions that year.

5.0 SUMMARY OF PROGRESS TO DATE

The 2005 Prospectus concentrated the programme on the 4 main urban settlements. The associated Delivery Plan to 2008 established key interventions to focus resources within these. The following table provides an overview and update on their progress. It illustrates that despite a late start, we have been able to 'hit the ground running' and we are delivering on our targets and expectations. We can be confident that we will 'close out' the remaining targets from our first allocation of HMR funds to March 2008.

Figure 10 – Delivery Plan Progress

Delivery Plan Projects	Detail	Outputs up to March 2008	Progress to date
Barrow Urban Core – North Central & Hindpool Environmental	<ul style="list-style-type: none"> • Clearance of poor quality housing • Opportunities to diversify housing offer • Conversion of existing terraces • New Urban Park • Home zones • Integrate the area with the town centre and waterfront 	Acquisition of 134 properties on 1.3ha footprint 5.8km of environmental improvements	Acquired 90 to date. On target Completed
South Whitehaven	<ul style="list-style-type: none"> • Redevelopment to increase the tenure mix – housing for sale, LCHO, affordable rent • New local facilities • New access to the estate • Supported by NMS 	Demolition of 54 flats	In appraisal
Workington – Westfield/ Frostoms (Casson, Grasmere, Needham)	<ul style="list-style-type: none"> • Undertake a comprehensive Masterplan • Demolition • New build • Refurbishment • Improvements to open space 	- Demolition of 82 properties - 2 new build bungalows - 0.2ha of green space redeveloped - 26 private houses improved - 60 HA houses improved	Completed On site Work on site Work on site Work on site
Workington – Senhouse Gateway	<ul style="list-style-type: none"> • Creation of new apartments and town houses - enhancing this key Gateway at Station Road • Some surplus stock will be removed to allow for remodelling 	- Acquisition of 6 properties - Demolition of 6 properties - 7 refurbishments/ conversions	Completed In progress Completed
Financial Performance 2006/7	Target spend = £3,500k	Achieved Spend = £3,456k	Performance as % of target 98.7

6.0 FORWARD PROGRAMME

6.1 This section describes how we will build on our work to date to meet the objectives outlined in section 2, namely, to:

- Support economic growth
- Provide the right homes in the right places
- Help to create sustainable communities

Key to achieving these objectives is our ability to successfully rebalance supply and improve the quality of our neighbourhoods and properties

Rebalance supply

We will do this by:

- Increasing provision of larger and more aspirational housing primarily through the private sector
- Limited clearance of the most obsolete small stock
- Optimising the use of development sites

Improve quality of place and of properties

We will do this by:

- Supporting delivery of mixed communities through tenure diversification and broadening choice of housing type
- Spatially aligning interventions in the housing market to support our major economic investment programmes
- Ensuring that new homes meet high quality of design, sustainability and build standards
- Improving gateway sites
- Returning empty properties back in to use
- Raising standards and improving use of the private rented sector

6.2 Principles

Our approach to HMR intervention is based on the following principles:

- HMR funding is focussed on prioritised key schemes in the urban settlements which will have maximum impact in delivering transformational change on the surrounding areas
- A private developer partner will be competitively secured for each opportunity / area
- Ensuring that delivery is an integral part of Sustainable Community Strategies and WLR Business Plans
- HMR having a genuinely additional but complementary role to mainstream Local Authority and RSL activity
- Unlocking latent public sector land assets and ensuring that **all** new build opportunities are brought forward in a co-ordinated manner
- Ensuring that HMR helps to harness neighbourhood management to support physical change

In line with this our forward programme of £9m HMR funding will be split between Barrow receiving 54% of resources, Allerdale and Copeland 42% and with management and administration costs at a very efficient 4%. We are assuming that Regional Housing Board funding remains at 2007/8 levels throughout the 3 years.

Securing complementary private sector investment within the HMR areas will be given priority within the new programme via specific site development briefs, or in areas of existing housing, partnering arrangements such as those in place in other HMR areas across the country. These will be based on our clear vision for the future in each area and incorporate:

- Land assembly process
- Community consultation
- Planning framework requirements
- Expected level of investment and the requirement for the private sector to bear risk
- Partnership working with communities, the Councils and WLR

6.3 **Barrow**

Housing market renewal funding will continue to be focussed on transformational activity to ensure the existing housing offer in the town is able to complement the proposals to be delivered at the Waterfront.

This development in partnership with NWDA and EP will provide 650 private homes and a new business park. Expressions of Interest are now being sought from developers with formal appointments due in the early 2008 for a 10 year programme. HMR activity will add value by transforming the immediately adjacent neighbourhoods, where the housing is some of the poorest quality in the town.

This work is well advanced in some areas. A package of investment, including HMR, Regional Housing Board funding, SSCF and ERDF was constructed to help transform the **Hindpool Renewal Area**, which was declared in 2001. At the time this was at the time one of the weakest market areas in Barrow with house prices below £10,000 and high levels of vacant properties. Work to date has included the demolition of 125 terraced properties, the creation of an urban park, the creation of new houses for families and disabled households, group repair schemes and a number of streetscape and environmental improvements.

The intervention has halted spiralling market failure with greatly increased demand reflected in steadily rising prices. As importantly though the renewal area has had a knock on positive impact on adjacent neighbourhoods.

The Barrow Island Masterplan is nearing completion and will frame the regeneration of a large area between the town centre and Waterfront. This work incorporates an options appraisal for the **Barrow Island Flats** taking in to account their condition, conservation status and future demand, potentially linked to the job creation resulting from increased activity at BAe Systems in the coming years.

The 2008/9 – 2010/11 HMR programme in Barrow will centre on the proposed North Central Renewal Area, currently at an advanced stage in the Neighbourhood Renewal Assessment process. Detailed options appraisals will complete in early 2008 and will include a mix of:

- Clearance of the most obsolete stock and relocation of residents to more appropriate housing
- Site assembly and the attraction of a private developer partner
- Block remodelling schemes – where existing terraced properties are structurally altered and/or extended

Linked mainstream housing capital spend and other wider regeneration funding will focus on delivery of the town's housing strategy that has been geared to support market renewal activity. This includes:

- Block and environmental improvement schemes
- Tackling empty properties where these are impacting negatively on the wider area
- Raising standards of the existing stock including the private rented sector

6.4 **West Cumbria**

Housing market renewal funding will be focussed on transformational activity to assemble sites capable of widening the housing offer and on gateway schemes to stimulate and underpin private sector investment.

Achieving this on the scale necessary to bring about sustainable market change is a significant challenge for West Cumbria and one which will require continued careful planning and lead in periods. Interventions in 2008/9 will be modest and designed to deliver on specific plans already firmed up and 'commitments' made to the community. We have allowed an 18-month lead in period to 2009/10 within the programme for any substantial investment to:

- Give time to establish and 'bed in' new working structures between the Local Authorities and their partner RSLs.
- Build capacity including the potential to enhance collaborative working between Copeland and Allerdale Councils
- Develop detailed delivery plans for schemes of sufficient scale to appeal to major private housebuilders

The three key interventions planned are as follows.

- In **South Whitehaven**, work with Copeland Homes to rebalance the market in the Woodhouse area. This is a large monolithic social housing estate with deep seated deprivation. Copeland Homes have produced an outline masterplan that includes the clearance of some existing social stock and replacement with housing for sale together with a raft of environmental enhancements
- In Maryport, work with Home and Derwent & Solway on the **Ewanrigg/Hillside** areas to clear some existing social stock to assemble a site for development of new private and affordable homes
- In Workington, a further HMR scheme will commence in 2008 in the Station Road/Hagg Hill area of the declared **Derwentside Renewal Area**, which has a poor performing housing market and substantial socio-economic and

attendant image problems. It is proposed to enhance existing housing, primarily via block repair work, and to implement gateway improvements to the area to remove the blight currently proving a disincentive to wider investment. Such measures will support the adjacent regenerated town centre, proposed new transport interchange and potential development in harbour area where there are emerging plans for a major private residential scheme (Port Derwent).

The linked mainstream housing capital spend in Allerdale and Copeland will focus on delivery against wider regeneration objectives in West Cumbria including the Neighbourhood Management Action Plans as part of West Cumbria LSP's sustainable community strategy. Specifically in Allerdale this includes:

- Maryport Renewal Areas - block schemes and environmental improvements to enhance market value and use of existing poor quality private sector stock
- Tackling high profile empty properties where these are impacting on the wider area
- Better control and integration of the private rented sector to provide affordable option

Copeland will carry out limited HMR linked activity through their RHB funding in 2008/9, but from 2009/10 will be stepping up delivery through the proposed partnerships outlined above.

7.0 FINANCIAL PROGRAMME

7.1 Our financial programme (shown below in figure 11) reflects the above objectives and balances HMR funding with the mainstream funding administered by the RHB. The financial programme assumes the following benchmark costs:

- Acquisition per private housing unit, £75,000
- Conversion per unit, £80,000
- Block improvement i.e. refurbishment / repair per unit, £25,000
- Bringing Empty homes back to use per unit, £10,000
- Individual assistance, per unit, £10,000
- Acquisition per social housing unit, £25,000

Figure 11 – Financial Programme

Area	Source	Action	2008/9 £k	2009/10 £k	2010/11 £k	Total £k
Barrow						
	HMR	Site assembly, selective demolition, block conversion	2850	1400	600	4850
	sub total		2850	1400	600	4850
	Mainstream					
		Acquisitions	200	1000	500	1700
		Block and environmental improvements	1400	800	1100	3300
		Empty properties	50	50	50	150
		Private rented sector	50	50	50	150
		Individual assistance	900	900	900	2700
		Environmental				
	NWDA	/streetscape Improvements	800	1200	900	2900
	sub total		3400	4000	3500	10900
West Cumbria						
	HMR	Site assembly – Private and RSL stock	150	1400	1400	2950
		Gateway improvements	600	200	0	800
	sub total		750	1600	1400	3750
	Mainstream					
		Site assembly – RSL stock	0	1500	2000	3500
		Block and environmental improvements	2300	450	200	2950
		Empty properties	100	100	100	300
		Private rented sector	50	50	50	150
		Individual assistance	450	450	450	1350
		Environmental				
	NWDA	/streetscape improvements	700	1200	1400	3300
	sub total		3600	3750	4200	11550
WLR	HMR	Man. & Admin	134	133	133	400
Total						
		Combined other public	7000	7750	7700	22450
		HMR	3734	3133	2133	9000

The outputs resulting from the programme are shown in the following table, with the outputs directly attributable to the HMR funding in bold:

Figure 12 – Output Table

Inputs: Direct		
A10	HMR funds invested	£9,000,000
A41	Total Public Sector Finance directly matched to HMR	£22,450,000
A44	Total private sector finance directly matched to HMR	£10,000,000 (based on 130 new homes @ 80k cost)
Outputs		
B10	Total no. of homes constructed or converted: Social housing Private housing	20 130
B20/30	Total no. of homes refurbished repaired or improved: Social housing Private housing	144 197
B40	Total no of properties acquired for pathfinder purposes: Social housing Private housing Commercial properties	258 of which 188 HMR 60 of which 45 HMR 5
B80	Land acquired for pathfinder purposes	-
Outcomes		
C10	No. and % of homes in the intervention area vacant for more than 6 months, by tenure	<u>Private:</u> 2,135 dwellings, 2.4% <u>Social housing</u> 200 dwellings, 1%
C30	No. and % of house sales in the intervention area in comparison to regional prices in the lower quartile	465 sales 40.0%

8.0 **GOVERNANCE, PERFORMANCE MANAGEMENT & MONITORING**

We believe the systems that we have established and introduced for the HMR programme in Furness and West Cumbria for governance management and monitoring are demonstrably working. They are based on tried and tested systems that have been developed and employed by WLR particularly to meet RDA requirements. Of course adaptation has been necessary and an evolution is also required for the next phase of HMR. For WLR, the task is to continue to optimise 'joined up' regeneration across initiatives and funding streams and to improve engagement with the private sector.

8.1 Governance

The strategic alignment of housing market renewal and economic development in Furness and West Cumbria is well established. Responsibility for the HMR resides with the Board of WLR taking guidance and direction from the Operations Group. The Board currently has 12 directors - the three district authority leaders, a member of the Executive of Cumbria County Council, the Director of Finance of the NWDA, the Regional Director of English Partnerships, the Director, Communities, GONW and five private sector directors which include the Chairman. This ensures that strategic housing market interventions are directly linked to delivering the economic renewal objectives and priorities of West Cumbria and Furness.

The board approves (or not) all projects based on an independent appraisal report of the detailed project proposal.

Cumbria County Council acts as Accountable Body for the Housing Market Renewal initiative, under an extension to the service level agreement that the local authority has with West Lakes Renaissance for the URC's mainstream programme. Thus the expenditure on housing market renewal is subject to the financial regulations of the County Council and local authority standards of probity and accountability.

8.2 Programme Management

The Operations Group is responsible for programme management and delivery arrangements and to ensure effective linkages are made with key local, sub-regional and regional strategic frameworks. This comprises the Chief Executive of WLR, senior managers of Barrow, Allerdale, Copeland and Cumbria County Councils, senior managers from the Home Group, Derwent & Solway HA and Accent Group, with support from senior officers from GONW, NWDA, Housing Corporation and EP.

8.3 Project Development and Delivery

Delivery Teams are put together to be project-specific and fit-for-purpose. These teams comprise local authorities, RSL partners.

The role of WLR HMR Programme Co-ordination unit is to support the delivery process by extract maximum value from the HMR programme, producing synergy with other funding programmes and across organisational boundaries with other regeneration initiatives, and increasingly coordinated engagement with the private sector.

All project proposals are independently appraised before submission to the WLR Board for consideration.

8.4 Performance Monitoring and Change Control, Outcome Evaluation

Quality management information is key to the successful delivery of the programme. Performance Information will serve two purposes. First of all as a management tool to monitor the programme, identify problems, trigger change control and facilitate decision making on corrective action based on contingency proposals. Secondly to inform stakeholders, and primarily CLG, on the ongoing delivery of the scheme. All projects will be monitored for performance on a quarterly basis.

The initial sweep of output targets as required by CLG are shown in table 12. Further work is ongoing to produce further outputs targets defined in the CLG guidance however, these will not be 'cast in stone' until a positive announcement about the success of the business plan.

Change Control recommendations will be triggered where the project deviates by more than 20% from its prescribed performance targets, or where in the opinion of the HMR management team, a project is significantly deviating from agreed milestones. Within those tolerances, the Operations Group will have the responsibility to monitor. Outside the tolerances, the WLR board will be informed of the relevant issues through a report that also recommends corrective action or the introduction of a contingency plan.

Medium-term outcome-based monitoring and evaluation will assess whether the programme is being effective in terms of impacting on the structure of the F&WC housing markets. Information will (where appropriate) be collected and monitored at the following level:

- Wards (where intervention is being undertaken)
- Local Authority
- Furness and West Cumbria

The headline CLG indicators and outcome targets are included in table 12 but further work is necessary to establish targets against collated baselines. Indicators have been identified, which taken together can depict profiles of the market areas.

- Net migration (source: ONS Mid Year Population Estimates)
- Population profile (source: ONS Mid Year Population Estimates)
- GVA and GPD (source: Annual Business Survey)
- ID figures (source: ODPM)
- Council tax bands (source: Local Authorities)

Of course many externalities over and above HMR, will impact upon these indicators. Nonetheless, evaluation of success of this initial HMR Programme will take place against baseline data to demonstrate the achievement of outcomes. At a point to be agreed with CLG and determined against future funding opportunities, West Lakes Renaissance will produce a brief to undertake, directly or through external appointment, a full programme evaluation.

8.5 **Summary of Roles and Responsibilities**

Figure 13 – Roles and Responsibilities

Organisation	Accountability	Roles and Responsibilities
WLR Board	RHB/GO	Approve programme
	Accountable body	Oversee effective programme delivery
		Periodic performance review of programme
		Approve projects / variations within overall programme
		Lobby at regional/national levels re: HMR
Operations Group	Board	Advise Board on approval & delivery of programme
		Balance internal priorities
		Secure integration with LSPs
		Co-ordination/alignment of HMR with other programme/statutory requirements
Accountable Body	RHB/GO	Final project appraisal
		Ensure financial probity
		Issue payments and manage project claims
		Audit functions
HMR	Operations Group	Preparing the Delivery Plan in partnership with Delivery

Organisation	Accountability	Roles and Responsibilities
Coordination Unit		Action Teams
	Board	Programme Co-ordinator
		Reporting progress (to Board, CEG, LSPs, CHG etc)
		PR/Marketing
		Programme monitoring i.e. spend and outputs
		Housing Research (via County-wide approach of CHG)
		Co-ordination of HMR with other programmes
		Supporting project appraisal
		Co-ordinating project approval (of Board/CEG)
		Disseminating best practice
		Private sector engagement
		Facilitating Operations Group
		Risk management
Delivery Teams	Individual Project Leaders	Consultations and resident engagement Communications
	Partner org's (LAs/RSLs)	Project inception and design (ongoing)
		Option generation and option appraisal
		Preparation of funding applications and submission for final appraisal
		Management of decant bank and decanting of residents
		Developing other funding applications
		Acquisitions
		Procurement and partnering arrangements (to partner org. rules)
		Commission and appoint private developers
		Project management (inc. monitoring returns)
		Project budgetary control (inc. financial claims)
		Liaison with HMR Programme Co-ordinator
		Report to LA/LSP/RSL structures and activity
		Links with Neighbourhood Management Teams
		Provide monitoring information to HMR Coordination team

8.6 Risk Management

The partners have demonstrated their competence at managing risks to the current programme.

Risk is managed by analysed at two levels: programme and project. At a programme level, there has been a staged risk management process:

- Risk identification
- Risk analyses on a Probability & Impact matrix

At a project level, risk assessment is an integral part of the appraisal process. Each application is required to set out risk issues and mitigation strategies as part of the appraisal process. A report on the thoroughness, realism and adequacy of that analysis is made by an independent appraiser in each project appraisal report and therefore forms part of the approval decision. Projects will not be recommended for approval where that analysis is inadequate.

The main programme level change in risk in the second phase of HMR relates to the intention to increase use the private sector to drive forward change, based on a number of development opportunities afforded by HMR and related programmes.

Figure 14 – Risk Management Strategy

Strategic level risk	Probability	Impact	Risk Management Plan
Acquisitions of properties by agreement problematic	M	H	The potential need for CPO process is kept under constant review. External expert advice and support is available to the partnership.
Increasing costs lead to unachievable delivery within budget or programme overspend	L	H	House price stability has allowed for accurate projections. Effective cost management and control checks put in place.
Delivery Capacity amongst partner agencies including WLR	M	H	All partners recognise areas of concern and are committed to making themselves fit for purpose. Investment plans skewed to enable improvements where necessary
Delays caused by the planning system.	L	H	LAs committed to ensuring their planning services are geared to meet the challenge of LDF – not just in response to HMR.
Community opposition to projects.	M	M	Dialogue has been ongoing from original programme, based on using existing networks and mechanisms that are known to work in the area
Private developers and housebuilders fail to engage.	L	H	In Copeland and Allerdale there is a healthy development programme from a number of housebuilders. In Barrow there is interest being generated through the Barrow Waterfront initiative. External expert advice is available to the partnership.
Failure to establish adequate programme management systems.	L	H	Sound and proven project management systems now in place. Strong relationship with CLG developed.
Project failure undermines programme performance.	L	M	Priorities represent a continuance of those in original programme. Robust approval process.
Failure to align with other regeneration activity /programmes.	L	M	Close tie in and coordination established with other WLR projects and with local neighbourhood management initiatives through Delivery Teams
Failure to alignment with other funding streams	L	H	Risk substantially reduced because other funding streams largely already determined and within control of partners.
Failure to secure HMR funding	M	M	Business Plan demonstrates successful delivery of programme to date and future opportunity.
Programme fails to achieve HMR objectives	M	H	By definition, this is a real risk for which mitigation strategies cannot be introduced.

due to externalities (e.g. unforeseeable economic changes, associated regeneration programme failure).			However, potential for negative externalities reduced due to foreshortened nature or programme. Also just as likely those positive externalities will assist programme.
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