

***Centre for
Regional
Economic
Development***



**WEST LAKES RENAISSANCE:
BUSINESS SURVEY AND STAKEHOLDER ANALYSIS**

**Commissioned by
West Lakes Renaissance**

EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

1. This document reports on primary research undertaken by the Centre for Regional Economic Development (CRED) to assess the views of stakeholders, public sector partners and private businesses on the role and significance of the work of West Lakes Renaissance (WLR).
2. Specifically, the research seeks to document views on (a) the level of business confidence in the area, (b) the attractiveness of Furness and West Cumbria (FWC) as a business location and (c) the effectiveness of West Lakes Renaissance in working with partners to achieve economic regeneration.

Stakeholder interviews

3. Sixteen consultations were held with key stakeholders from the public and private sectors. There was widespread support for the objectives of WLR and these were still regarded as highly appropriate to the area. In particular, public sector partners generally agreed that the objectives of WLR were consistent with their own aspirations for Furness and West Cumbria.
4. As in the baseline study (CRED 2005), there is a strong view that WLR have a special role to play in physical regeneration and the development and delivery of targeted infrastructure projects. Most interviewees believe that WLR is taking a lead in this area and fulfilling an important role that could not be carried out by any other agency. There was more debate around the extent to which WLR should seek to broaden its remit. Some argued that WLR should not jeopardise its work on physical regeneration by diverting attention too widely into other aspects of regeneration such as business support and housing.
5. However, feedback from private sector consultees suggests that WLR has been highly effective in facilitating networking and influencing new and existing investors in the nuclear sector. As regards housing renewal, the local authorities in particular seemed acutely aware of the need for additional capacity to deliver housing priorities and argued that without WLR much less would be achieved.
6. As in the baseline survey (CRED 2005), feedback from stakeholders on the working relationships between WLR and other key partners seems generally positive. This applies in particular to relationships with other public sector partners including local councils, regeneration bodies and business support agencies.
7. Many share the view, however, that it is critical to clarify the institutional relationships at County level between WLR, Cumbria Vision and the County Council. It is generally believed that WLR is capable of delivering its key priorities on the ground, but that greater clarity on institutional arrangements at County level would facilitate longer-term planning and improve delivery processes.
8. Stakeholders recognised that WLR needs to be sensitive to differences between Barrow and West Cumbria and that there needs to be different approaches. In general, it was recognised that the situation in Barrow is less complex than in West Cumbria where issues in the nuclear sector and wider geographical spread make it more difficult to coordinate change.
9. Some partners noted that levels of bureaucracy in approval and monitoring of projects funded through WLR seems complex and onerous. It was felt that this conflicts with the ethos of URCs which are meant to streamline processes and reduce barriers to private

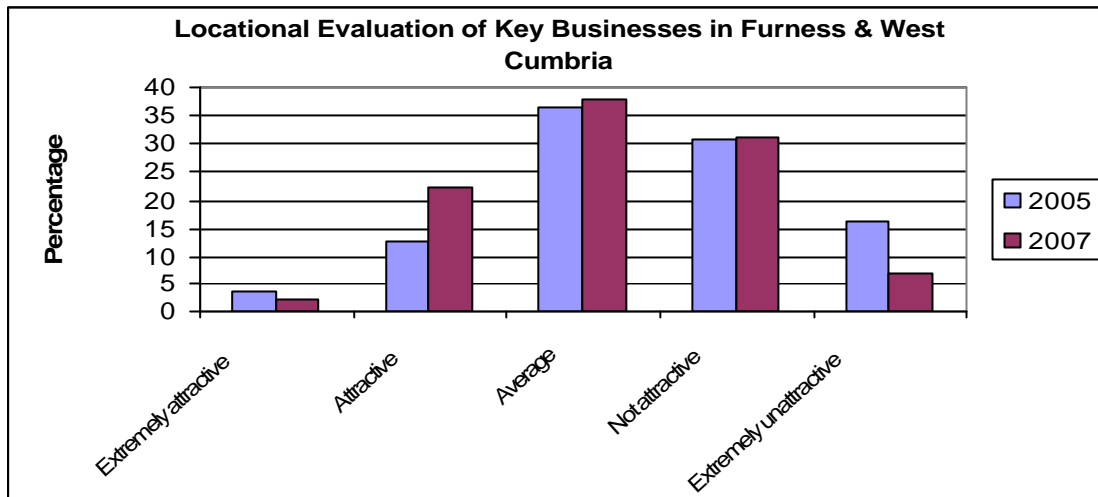
investment. One interviewee suggested that levels of administration could be more proportionate to the size of grant with reduced levels of monitoring below specified thresholds.

10. Interviewees noted that it would be unrealistic to expect WLR to change fundamentally the image of Furness and West Cumbria but there are signs of change in the right direction in existing and planned redevelopments associated with the work of WLR. The URC is regarded as an important “part of the mix” of conditions that has the potential to lever private investment. The URC “adds credibility to the area” and “has strong brand recognition” with some private investors.
11. The interviewees were asked to consider the overall impact of WLR on the regeneration of the area. There is general recognition that the existence of a URC in Furness and West Cumbria has provided access to significant additional resources that might not otherwise have been available. Stakeholders also believe that WLR brings capacity to develop and deliver projects that would otherwise prove difficult to achieve.
12. The overall picture from the interviews suggests that WLR is generally regarded as an organisation that has the ability to provide leadership and strategic direction and to work with public and private sector partners to achieve positive outcomes. WLR has generally managed its relationships with key partners sensitively and has shown flexibility and pragmatism in defining its own role and sphere of activities. Stakeholders remain optimistic that WLR will be able to deliver on its major projects.
13. Interviewees were given an opportunity to suggest ways in which WLR could improve its performance in future. There is wide recognition that all partners face a particular challenge in delivering the Spatial Masterplan for West Cumbria. While some argued that WLR could make a step change and fulfil the role of lead agency in coordinating the delivery of the Masterplan, this view was not shared by all. Some believe that WLR would be better deployed in delivering selected aspects of the plan, in particular in project delivery and physical redevelopment.
14. These comments overall suggest that there are strategic issues for WLR to consider in shaping its role in West Cumbria in future. There are embryonic ideas on how WLR might seek to provide leadership or contribute to delivery in West Cumbria, all of which appear to require further change and development within the organisation. This suggests that there is an opportunity for WLR to demonstrate its capacity to respond to these challenges.

Business survey

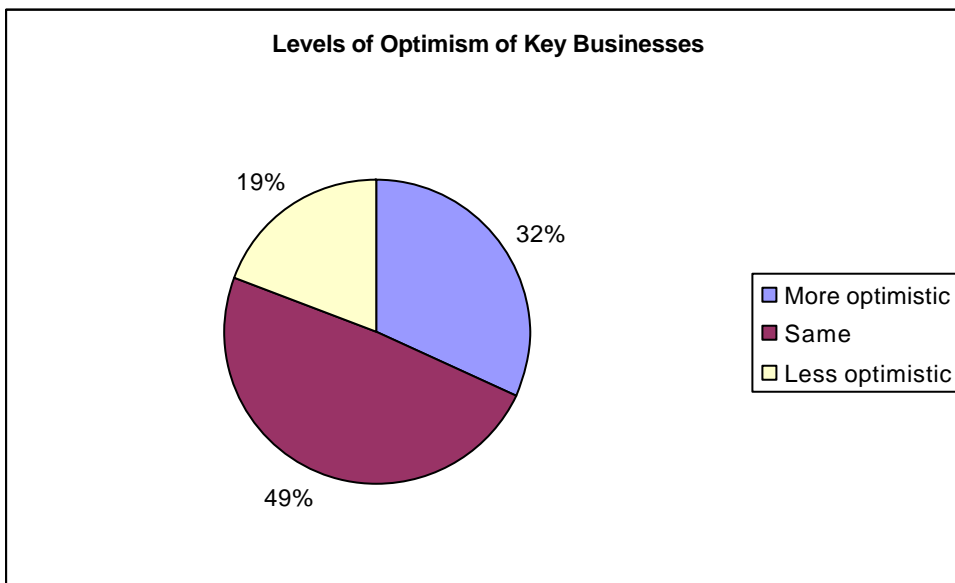
15. Questionnaires were posted to businesses that currently employ over 20 workers in the area. After two mailings, 50 responses had been received. Although the response rate is low (15%), examination of the type of respondent businesses indicates that these businesses account for around 3,000 employees.
16. Managers were asked to indicate how attractive Furness and West Cumbria currently are for investment by business. Results show that 62% thought the area was of *at least average* attractiveness, which is slightly higher than the figure in the 2005 baseline (53%). The proportion of respondents who believed the area is “extremely unattractive” had also fallen from 16% (9 responses) to 7% (only 3 responses) (see figure 4.1 below).

Figure 4.1



17. Respondents were also asked to indicate whether there had been any change in their perception of the area as a business location in the last two years. The same proportion of respondents as in 2005 (78%) considered that the area had not worsened in the past 2 years, and most felt it had stayed the same (53%). However, 24% (12 cases) believed that attractiveness to investment had improved.

Figure 4.3



18. Managers were then asked to indicate their optimism about the prospects for their business in Cumbria compared to twelve months previously. Nearly half (49%) of respondents felt similarly about their prospects to the year before. However, a slightly higher proportion of respondents felt more optimistic than less optimistic (32% compared to 19%) (see figure 4.3 above).

19. Diverse reasons were given for improvements in the local business environment in the past 12 months. These included new business opportunities in the nuclear industry, improvements in Broadband and the benefits of urban redevelopment schemes in various contexts. Problems raised included transport infrastructure, fuel costs, labour costs,

dealing with legislative requirements, property price increases and the loss of markets for some services arising from the recent succession of industrial closures.

20. These findings suggest that WLR aspirations for business in the area are being met. The question arises, however, as to the extent to which the activities of WLR have had any influence over these trends. The evidence tends to lead to the conclusion that the level of business confidence has been influenced to a much greater extent by the prevailing favourable national and international economic conditions but with some significant local factors that affect some companies, particularly those connected to British Nuclear Group and BAe Systems.
21. There is, however, some evidence to suggest that WLR has had a marginal positive influence on these processes through its activities in Nuclear Opportunities and its support for physical redevelopment schemes in different areas. It is fair to say that major attributable impacts on business confidence and attractiveness to investment still await tangible progress in delivering WLR Masterplans.

Partner survey

22. To investigate the role of WLR in coordinating regeneration, a questionnaire survey was posted to 149 organisations currently participating in LSPs in Barrow and West Cumbria. After a follow-up mailing, 35 replies were received, slightly fewer than in the 2005 survey (50 responses). Even so, there was considerable correspondence between the two surveys in terms of respondents including those that are most central in the task of economic regeneration.
23. WLR is effective in its role of co-ordinating regeneration activities in Furness and West Cumbria. Compared to the baseline study in 2005, the proportion of partners who think WLR is effective in coordination has increased from 51% to 66.7%. A minority (10 cases) however, consider that WLR is not so effective in this role. Though sample size is small, there is a slightly more positive opinion regarding the effectiveness of WLR in this role in Barrow compared to West Cumbria. Evidence suggests that this reflects different circumstances in the two areas rather than operational differences within WLR.
24. Most respondents consider that aspects of economic regeneration have improved over the past two years, most notably in levels of co-operation between local partners and levels of commitment from local partners. Other aspects particularly relating to co-ordination of activities are also noted as having improved by more than half of all respondents (see figure 5.4 below).
25. As regards the contribution of WLR to these improvements in partnership-working, data analysis shows that 73.4 % of respondents consider that WLR has had a positive or very positive effect on co-ordination between local and regional/national funding streams. Over two-thirds also indicate that they have had beneficial effects on co-operation between local partners, co-ordination in the delivery of regeneration programmes, co-ordination in sub-regional strategies, the image of the area for private investment and on access to regional/national funding streams (see figure 5.6 below).

Summary of mid-term targets (2008)

26. Looking specifically at the headline indicators defined for WLR, comparison of the surveys in 2005 and 2007 can be made as follows¹:

Investor confidence

The proportion of key business managers who are at least as optimistic about prospects for their business as the previous 2 years has increased from 79% to 81% (mid term target to maintain at 80%)

Attractiveness to investors

The proportion of key business managers who evaluate Furness and West Cumbria as at least as attractive to investment as other locations has increased from 53% to 62% (mid term target 55%)

Coordination

The proportion of partners who state that WLR is effective in coordinating regeneration has increased from 51% to 66.7% (mid-term target 66%)

¹ NB - It is important to interpret these headline indicators in the context of details in the report concerning the plausibility of attribution effects to WLR, in particular with regard to business indicators.

Figure 5.4: Comparison of perceptions of change – slight or significant improvements

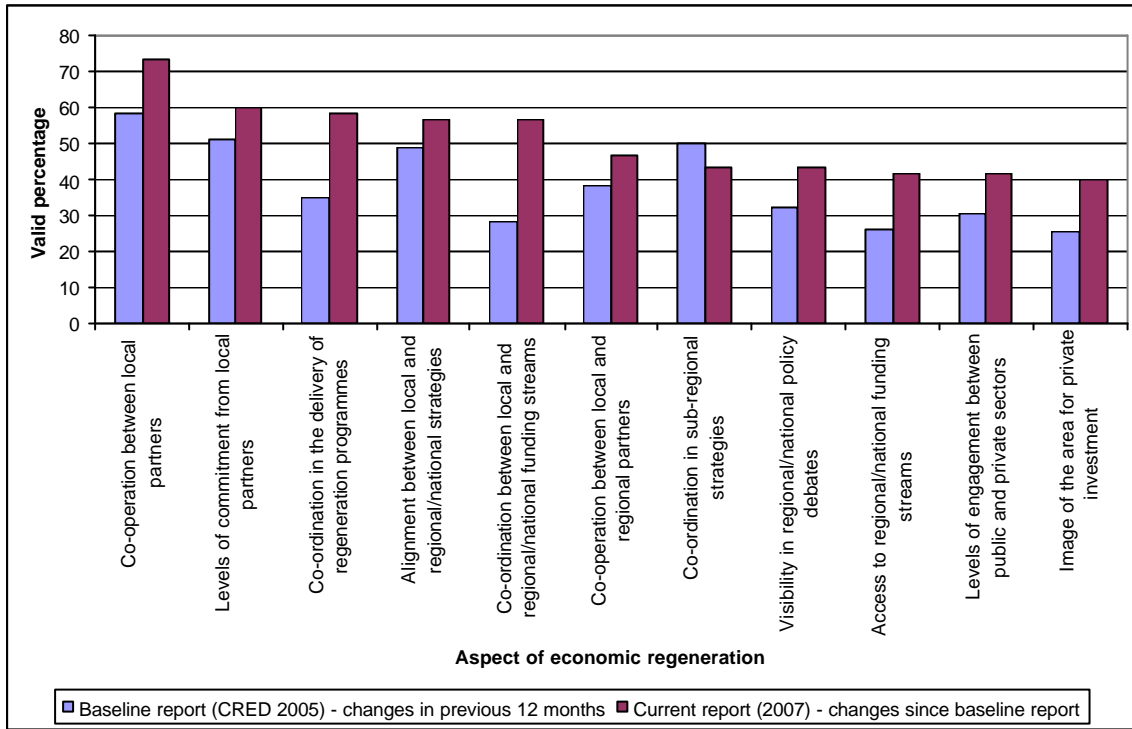


Figure 5.6: Comparison of impact of West Lakes Renaissance on changes – positive or very positive impact

