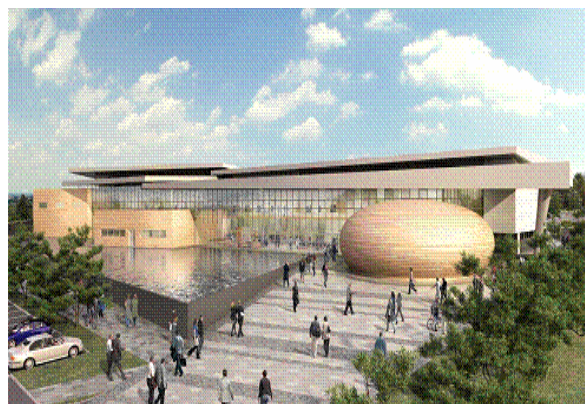


URC ANNUAL REPORT TO CLG

URC



Date Established

The company was formed in May 2003 and the URC was formally recognised by DTI and ODPM in the same month.

The 10yr Business Plan was approved by NWDA in April 2004

Chair



Bob Watson

Chief Executive Officer



Bob Pointing

Core Partners

Cumbria County Council (Accountable Body)

NWDA

English Partnerships

Allerdale Borough Council

Barrow Borough Council

Copeland Borough Council

WLR Employee Numbers

Currently there are 34 members of the Executive Team following the assimilation of the West Allerdale Regeneration Team and the secondment of an additional officer from Copeland Borough Council. In addition, we have one trainee administration position which is funded through the Cumbria County Council apprenticeship scheme.

Business Plan Period	2003 – 20013/14
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URC Area (ha's)	76,930
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Population	191,386
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Board members

The Board currently has fourteen members and is chaired by Bob Watson.



Gerry Woodcock

Personnel Director, Iggesund Paper Board



Tim Heslop

Regeneration Portfolio Holder,
Cumbria County Council



Ian Haythornthwaite

Executive Director of Finance and Corporate
Resources, NWDA



Prof John Fyfe

International Strategist



Peter Styche

Independent



Cllr Jim Musgrave

Leader of Allerdale Borough Council



Cllr Bill Joughin

Leader of Barrow Borough Council



Cllr Elaine Woodburn

Leader of Copeland Borough
Council



Dale Williams

General Manager, Robert McBride



Paul Spooner

Director, English Partnerships



Rob Cairns

Chief Executive, Furness Building Society



Mark Dixon

Regional Director, Nuclear
Decommissioning Authority



David Higham

Deputy Regional Director, GONW

General Overview – to include the URC’s Progress to Date and Main Headlines For The Year

- **Chief Executive’s Review**

West Lakes Renaissance started 2006/7 on a high, having just completed a £5.5m land deal with Associated British Ports on the penultimate day of the previous financial year. This provided most of the land –in one hit– that we shall require for The Waterfront Barrow-in-Furness -a 400 acre, £200m development which will include a marina, a marina village with over 600 new homes, a waterfront business park, a warm water environmental lake (thanks to Morecambe Bay gas processing), an overland boat lift, a watersports centre and a cruise terminal. Plans are well advanced for all these elements and work starts on site to create the ‘Ramsden’ (after the founder of the town) Business Park in July.

The Waterfront has caught the public imagination in Barrow, but everyone is impatient to see the cranes and the bulldozers on site.

When the URC started in 2003 there was an air of doom in the town. The shipyard where BAE builds nuclear submarines was in trouble, the Astute contract was well behind programme and 720 skilled workers were facing redundancy. A Taskforce was formed to address the long term problems of the town and a £50m package was approved, which became the basis of the URC programme for Barrow and the Furness Peninsula. This is now coming to fruition –not just in large infrastructure projects, but in initiatives to address worklessness, encourage young entrepreneurs and help local businesses diversify their markets. We have already ‘created’ more jobs than were lost from the shipyard four years ago, the yard itself has been turned round and there is a real air of optimism in the town. This is not just our own PR hype. The Editor of the ‘Evening Mail’ has written in other publications about ‘Barrow on the Brink of a Boom’, people are talking the place up and a lot of new private investment is coming to the town.

Going back to those redundant shipyard workers, many of them were plumbers and electricians who could not take work in the domestic sector, where there was great demand, because they didn’t have those particular qualifications. We devised a retraining scheme with Furness Enterprise, but found the only ‘local’ college with the right facilities was Carlisle –over two hours away at the other end of the county. West Lakes Renaissance funded a new Multi-Skills Centre at Furness College, Barrow which is now training people in the skills needed for the regeneration of the town. One the nicest jobs I had this year was to formally open the new Centre with John Hutton, the Barrow MP and Work and Pensions Secretary.

As I often tell people, the Furness and West Cumbria URC is the largest of all the URCs. At the West Cumbria end, the big problem will be the decommissioning of Sellafield, by far the most significant local employer. It is envisaged that some 7-8000 jobs will be lost with a knock on loss of a further 4-5000. That’s the bad news. The better news is that we have a few years to plan for these job losses, we now have the Nuclear Decommissioning Authority based in West Cumbria (with a budget of over £80b –yes that’s billion), I have a nuclear opportunities team to help build a new economy, and we have been given the opportunity by government to produce the ‘Energy Coast’ Masterplan. Following a recent presentation to the Prime Minister and Alistair Darling, DTI Secretary of State, this could well secure an initial commitment of £500m. The package includes the new University of Cumbria, a National Nuclear Laboratory, accelerating the Building Better Schools programme, a new acute services hospital, road dualling, gap funding commercial developments and an expanded housing market renewal programme. The URC already delivers housing market renewal and has been gap funding developments, but the rest of the package to

be delivered by WLR is additional to what we currently do

Projects in West Cumbria completed or started last year include the Elizabeth Dock with its iconic lifting bridge (I know all URC bridges are 'iconic', but this one really is), investment in new handling facilities at Workington, a local authority owned port which is now winning new customers and breaking even for the first time in many years (in fact it won an award as a 'leading light' award this year), offices at the Westlakes Science and Technology Park, our Employment Sites programme and the £14m 'National Nuclear Academy' at Lillyhall. We are also handling a European 'Priority 2' programme to support community enterprise, as well as supporting local business supply chains and a very successful construction skills project. Enterprise development, 'sustainable communities' strategies and physical regeneration are all working hand in hand in West Cumbria, as they are in Furness. The difference is that West Cumbria is not based around one principal town, but comprises twelve distinct towns and townships, each with slightly different needs.

Best events for me during the year in West Cumbria were cutting the first sod for the Nuclear Academy, opening our office in Maryport, and absorbing the multi-talented former SRB team for Workington and Maryport. The most disappointing news was not getting spend approval for 'Derwent Forest', a 1000 acre former MoD store between Maryport and Cockermouth. But that could still come about through the West Cumbria Masterplan.

With the loss of this project, we were under intense pressure to achieve our spend target last year. But we did make it! And we exceeded most of our outputs. Even better, our second Baseline concluded that we have already achieved many of our programme lifetime targets. One of our biggest problems in Cumbria is the loss of young people—twice the national average between the last two censuses. Now, however in Furness and West Cumbria our haemorrhaging of young talent has slowed down and the graph is on the upturn. This has something to do with improving standards in the local colleges and the belief the area now has a better future. Similarly GVA growth, which some statisticians had been comparing with economic stagnation in Bulgaria and Romania, is now exceeding the rate for the northwest as a whole. Employment rates are going up and unemployment is going down. House prices (which were very low) have been racing ahead. Most URCs will be claiming the same, but our increases are currently exceeding northwest levels.

Perhaps most important of all for us as a URC was that the Stakeholder Survey carried out for us by Professor Frank Peck of the University of Central Lancashire showed widespread support for WLR's objectives. We were seen as an organisation which can provide leadership and direction, and was 'adding credibility to the area'. Most of those interviewed felt that we were 'very effective at getting people working together for the benefit of communities'.

Last year was certainly difficult, challenging and stretching. Having achieved our main targets, including spend, we ended the year with an enormous sigh of relief, I can tell you! We have grown to a team of 34 and now operate from three offices covering the URC area. We will therefore have to review our management structures and systems to deal with an expanding programme. We also recognise that we will have to raise our game to deliver the West Cumbria Masterplan on top of our current £200m programme.

That's the challenge ahead of us now.

Bob Pointing

- **Chairman's Review** 1st April 2006 to 31 March 2007

The Chief Executive has already outlined the main headlines for the year. I do not intend to repeat these but I do express my appreciation of all colleagues who have worked diligently to achieve such positive results. My thanks are due also to all members of the Board who have given freely of their time to drive the business forward.

Over the past 12 months West Lakes Renaissance has been engaged with consultants Grant Thornton in the production of The West Cumbria Masterplan. This Masterplan is the blueprint for the regeneration of the area over the next 20 years and builds upon the excellent work of West Lakes Renaissance and other agencies over recent years.

The Masterplan, which has a vision for West Cumbria as Britain's **Energy Coast** is now approaching final drafting and has already been presented to Prime Minister Tony Blair and other members of The Cabinet. It will be presented in more detail to the West Cumbria Strategic Forum, chaired by The Secretary of State for Trade and Industry on 19th June.

At the insistence of The North West Development Agency some elements of the Masterplan have been incorporated into the latest West Lakes Renaissance business plan and this has delayed its publication.

The Masterplan has the support of all local partners and a local Leaders Group chaired by MP Jamie Reed is now engaged in discussion of the appropriate delivery vehicle for individual elements of the Masterplan. West Lakes Renaissance is certain to be responsible for large elements of delivery and the West Lakes Renaissance Business Plan will be revised when these are confirmed.

Expansion of the company will be essential to manage this delivery and the Chief Executive has been tasked to suggest an appropriate organisation once an initial project timetable is established.

Work on Barrow's Masterplan is already well underway with projects which have been described in the Chief Executive's report. The Marina Development and Business Park Development together with Housing Market Renewal will transform the fortunes of the town. Our task is to ensure the projects are delivered in a timely fashion and are not delayed through any loss of focus to West Cumbria.

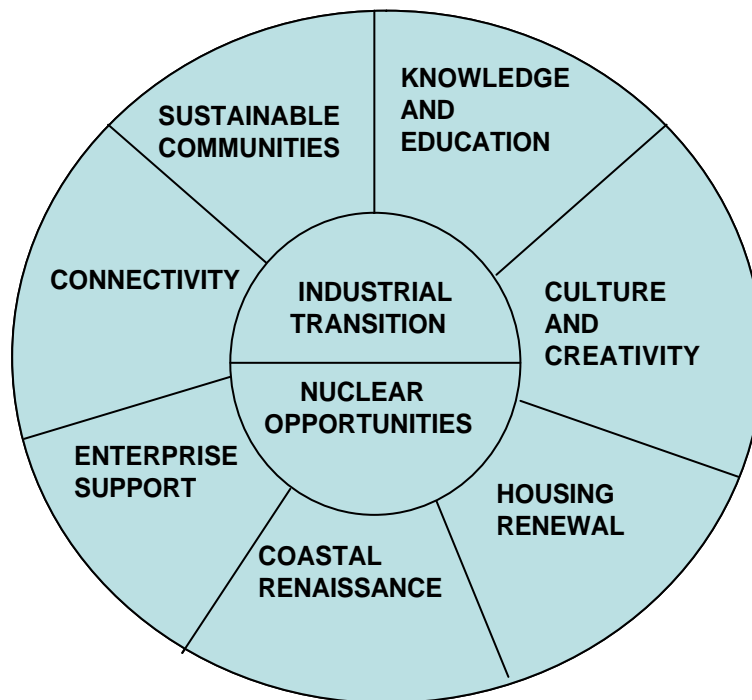
Bob Watson
Chairman

Area of Operation (highlighted orange)



- **Strategic Framework Overview**

The WLR programme is based around nine themes, two of which are core and seven of which are change-supporting.



INDUSTRIAL TRANSITION

Responding to competitive pressures in the global market by: preparing infrastructure, sites and other opportunities for new industries and businesses; reshaping the economy of Furness and West Cumbria; and reducing dependency on older industries.

NUCLEAR OPPORTUNITIES

Maximising new opportunities from nuclear decommissioning and the NDA locating to West Cumbria by: the preparation of sites; supply chain development and diversification; championing the NDA; and co-ordinating promotion and networking.

CULTURE AND CREATIVITY

Fostering, promoting and celebrating culture and creativity in Furness and West Cumbria by: developing the tourism and cultural offer; supporting new cultural industries and festivals; boosting the profile of the area and its tourism appeal.

HOUSING RENEWAL

Aligning regeneration and housing market renewal by the upgrading (or in some cases the demolition) of obsolescent pockets of housing for which there is little current demand, recycling sites for higher quality housing and improving the housing environment.

COASTAL RENAISSANCE

Using the assets of the Cumbrian coast (built and natural environment) more effectively and sustainably for the communities that live and work here; promoting the area for tourism and investment.

CONNECTIVITY

Making better use of our ports, seeking improvements to the road infrastructure, supporting the local rail network, improving links by air and enhancing the /DTI Broadband initiative.

ENTERPRISE SUPPORT AND NETWORKING

Helping to develop an entrepreneurial culture, supporting new forms of social enterprise, and strengthening existing business support delivered through the enterprise agencies and other local networks.

SUSTAINABLE COMMUNITIES

Meeting the diverse needs of existing and future communities in ways that: contribute to a high quality of life, but are sensitive to environmental requirements; are safe and inclusive; are well planned, built and run; and offer equality of opportunity.

KNOWLEDGE AND EDUCATION

Helping to build and extend the skills base in Furness and West Cumbria, spanning the spectrum from basic employability to more advanced skills and forms of knowledge.

Our programme, whether directly or indirectly, is concentrated on projects designed to re-shape the economy of Furness and West Cumbria – particularly under our Industrial Transition and Nuclear Opportunities themes. However, so-called “transformational” projects do not by themselves build new economies. Thus, our Industrial Transition and Nuclear Opportunities programmes, are supported by seven inter-connecting themes, to ensure that as well as shaping the economic future of Furness and West Cumbria, we are also helping to create the environment,

the right housing, the vibrant towns, the transport, the new enterprise culture, the sustainable communities and the new skills that are essential to support the future economy.

For Barrow it is the Waterfront Masterplan and the Urban Design Framework for the town that provide the overall vision. The new Barrow will see a complete transformation of the present environment – a buzzing and exciting waterfront economy that will attract visitors, investment, yachties, shoppers and young people. But it recognises that physical regeneration needs to be underpinned by strategies to ensure we will have the skills and the business growth to make this work. That, simply, is our regeneration strategy for Barrow.

In West Cumbria we have emerging masterplans for Whitehaven, Workington and Maryport. What will bring these together will be the West Cumbria Spatial Masterplan, building a future and a new economy based on an energy, environment and technology business cluster. As in Barrow and Furness, this is underpinned by strategies to ensure we have the right environment, the new skills and the enterprise support for the new economy. In Furness and West Cumbria physical isolation and deprivation will be turned round so we will have a strong and diversified economy, a high visitor profile and a positive belief in our future.

An unavoidable complexity of our programme is that it is delivered for a sub region and not a city region. We have dispersed towns and settlements across 85 miles of the Cumbria coastline. As well as Barrow, Whitehaven and Workington, our vision includes dealing with the areas where conditions are worst and where deprivation is most concentrated. These include the towns of Millom, Disington and Cleator Moor, for example. Some of our projects are by necessity smaller in scale than they are in other, 'big city' URCs. But they are no less effective. A relatively small ILM project funded by WLR in West Cumbria recently won a RENEW award, enterprise projects in Furness have produced some of our best outputs, and supporting fairly small scale arts and cultural events has produced radical changes in perceptions of what Furness and West Cumbria can offer. At its first meeting in 2007 the Board approved a relatively small project involving four commercial properties in Cleator Moor that will transform the centre of the town and greatly improve the retail offer. Not all 'transformational' projects need be large and expensive.

WLR Key projects		
Project Name & Description	Current Position on Previous Milestones as at 31st Mar 2007	Project Milestones 1st Apr 2007 to 31st Mar 2008
The Waterfront Barrow in Furness		
Award of services and offsite infrastructure contract (Hindpool Rd/ Abbey Rd roundabout)	Completed in Jan 2007	
Services and offsite infrastructure – new project (Walney Rd/ Ironworks Rd one way system)		Contract start date 15.08.07 Contract completion 12.12.07
Water Sports Development	Project now included in Marina Village Development – see below	
Marina Village Land Assembly	On going – land to be included in Marina Village Development – see below.	
Cruise Terminal	Marketing of Barrow/ Lake District as a cruise destination to take place over 3 years before commitment to new facilities is made.	
Waterfront Business Park (First phase of 3 – Ramsden Business Park)	Planning permission received. Contract procurement complete.	CPRG funding approval sought on 27.06.07. Works commence July 2007. Works complete Sept 2008 Launch private sector development opportunity in August 2007.
Marina Access	Concept design complete – to be included with Marina Village – see below	
Marina Village 650 Residential Units 350 Marina Berths Sports Facilities New marina Access	Development Brief complete.	Assembly of procurement team (Planning, legal and property advisors by July 2007) Launch private sector development opportunity in Sept 2007.
Harbour Revision Order	Project underway	Order to be made Dec 2007
Barrow New Vision		
Enterprise Fund	Jobs Created: 286 Jobs Safeguarded: 75 New businesses created: 57	Application for extension to fund to be considered by WLR Board on 13.06.07.

Project Name & Description	Current Position on Previous Milestones as at 31st Mar 2007	Project Milestones 1st Apr 2007 to 31st Mar 2008
Barrow Enterprise Support Strategy		
Encouraging Entrepreneurship.	Project underway	Project completion: Mar 2009
POINT Business Development project	Project underway	Project completion: Dec 2008
Affinity Groups project	Project underway	Project completion: Dec 2008
Social Enterprise Network – The Hub	Project underway	Project completion: Mar 2009
Intermediate Labour Market	Project underway	Project completion: 31.07.08
The Workshop (worklessness project)	Project underway	Project completion: 31.03.08
Barrow Retention Strategy		
Furness College Multi Skill Training centre.	Project complete March 2007	
CNC Machinists – apprentice training support.	Project underway	Project completion: 31.08.10
BAE Apprentice support	Project underway	Project completion: Dec 2008
Nuclear and Radiological Instrumentation Centre	Project underway	Project completion 31.12.09

West Cumbria WLR Key projects		
Project Name & Description	Current Position on Previous Milestones as at 31st Mar 2007	Project Milestones 1st Apr 2007 to 31st Mar 2008
Industrial transition West Cumbria		
Employment Sites - Site Infrastructure and Preparation	Maryport BIP Factory acquisition completed	BIP site clearance complete October 2007 Infrastructure and enabling works on site and Leconfield, Cleator Moor and Egremont September 2007
Employment Sites – Direct development	Direct Development – Galemire Court and Kelton House now complete	Direct Development of West Cumbria House, , Moss Bay workshops complete by Dec 2007
Employment Sites - Gap funded schemes	Westlakes Science Park Plateau 2 - completion	Schemes with Cumberland Pencil factory and plateau 5b site both works on site by Oct 2007
Knowledge & Education		
Nuclear Skills Academy - internationally significant centre for excellence in skills for the Nuclear sector	New project; full funding achieved December 2007	Main site works commence June 2007 (for completion Autumn 2008)
UClan @ Westlakes – development of centre based on knowledge transfer	New project: Funding approval for decision by WLR/NWDA July 07	Refurbishment works commence October 07
Coastal Renaissance – Land & Property		
Pow Beck Valley, Whitehaven Mixed use redevelopment for including sports, residential, office and retail development	Site investigations works underway	Site investigations works complete Phase II sports works on site March 2008
Derwent Valley, Workington Mixed use redevelopment including sports, retail and informal recreation/ environmental improvements	Site investigations / study ongoing.	To complete site investigations Dec 07 Research & design work to commence during 07
Maryport Harbour	Harbour Bridge on site Marina Extension works underway	Complete harbour bridge June 07 Complete marina extension Nov 07 Commission feasibility plan for harbour reconfiguration March 08
Whitehaven Harbour & Coastal Park	Boat building yard works underway Agreement with Land Restoration Trust to lead coastal park	Boat yard complete Oct 07 Coastal park site works on site 2008

Project Name & Description	Current Position on Previous Milestones as at 31st Mar 2007	Project Milestones 1st Apr 2007 to 31st Mar 2008
Derwent Howe, Workington – 400 acre ex –steelwork area. Mixed use development planned	Derwent Howe masterplan underway	Complete masterplan by September 2007
West Cumbria Townscapes - maximising value of heritage assets and contemporary streetscape and public realm enhancements	Public Realm/Gateway Heritage & Building facelifts schemes launched in Egremont, Cleator Moor, Maryport	Egremont gateway complete March 2008 Maryport Shipping Brow final designs approved and to tender December 07 Workington Murray Road final designs approved and to tender in December 07
Sustainable Communities		
Housing Market Renewal Barrow & West Cumbria – addressing affordability and market failure to achieve ‘mission of the right homes in the right places for the new economy’	New programme. Asset assembly/acquisitions launched in Barrow North Central, Maryport Victory Crescent , South Workington	Complete acquisitions in Barrow October 2007 and commence demolitions Complete acquisitions and demolitions in South Workington in Dec 2007 Complete acquisitions and demolitions in Maryport in March 2008
Connectivity		
Port of Workington – development of key commercial port servicing West Cumbria	Tranche 1 , 2 project complete Tranche 3 projects funding approved	Tranche 3 project complete Tranche 4 project work in progress

Links to Other Programmes

Within our overall programme, West Lakes Renaissance is delivering a housing market renewal programme funded by CLG and the Regional Housing Board. The objectives over the initial two years for the £14m investment are:

- Increasing the number of modern apartments and larger town houses within the urban cores of our main towns.
- Exploring the ways in which the terraced housing can be modernized and adapted to meet 21st Century lifestyles and aspirations, and schemes which convert smaller terraces into larger family homes.
- Creating genuine mixed tenure suburbs with a range of family homes available.
- Encouraging the building of homes at the very top of the housing market by creating opportunities for self-design and build.

Work started during the year on the West Cumbria Spatial Masterplan (WCSM) by consultants Grant Thornton. This was presented to the Prime Minister in April 2007 and envisages an initial £500m investment package to be delivered by West Lakes Renaissance

We have recently absorbed the former SRB team for Maryport and Workington principally to deliver the West Allerdale Regeneration programme, but also to boost our delivery in West Cumbria generally, and includes the winding up of the South Whitehaven SRB programme.

The WLR Board is responsible for the Economic Development Zone for Furness and West Cumbria which under the current programme had a total value of £12.4m and is fully committed. This ERDF funding has been matched with our NWDA funding, and the two programmes are co-ordinated by the Executive Team.

In Barrow, the Chief Executive is a member of the Heart of Barrow Board and chairs the Barrow New Vision Group, which co-ordinates all regeneration activity in the town, including the local authority programmes.

Evaluation/ Succession Planning

We have annually monitored our progress and performance against the company's strategic indicators and milestone targets, developed as part of the WLR Baseline Framework study in 2004 and structured around WLR's strategic objectives and original 10 year Business Plan.

Our early baseline results three years into the programme are encouraging. The loss of young people from the area is slowing down and the gap with the rest of the northwest is closing. Similarly the employment gap is closing, although 'employment inequalities' in our poorer wards do not seem to have improved. Other evidence is less even. The number of adults with NVQ level 3 skills has increased substantially, and rises in residential values have exceeded northwest levels. Yet the level of business start ups and the income/ GDP gap have both remained fairly constant. (See attd)

The annual results and subsequent partner surveys will form the basis of our mid term evaluation during 2008. This evaluation will measure and hopefully attribute the contribution that WLR, with other partners in the region, has made to the positive outcomes in Furness and West Cumbria.

Direct Outputs	Lifetime	Achieved up to 31st March 2007	As a % of lifetime outputs
Public sector investment* (£m)	£269,357,000	£44,607,756	16%
Private sector investment (£m)	£155,000,000	£3,969,308	3%
Commercial floor space (sq m)	101,549	6,189	6%
Jobs created / safeguarded	3555	1,064	30%
Housing units	650	0	0%
Land brought back into use (ha)	157 Ha	5 Ha	3%

* combines WLR/NWDA & match funding investment