



Britain's
energy coast™/
a Masterplan for
West Cumbria –
executive summary

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1 / Foreword by West Cumbria MPs

West Cumbria, working in partnership with Government, has the potential to deliver the critical elements of a national energy strategy that meets the imperatives of both combating climate change and securing the nation's energy supply. In doing so, and building on its nuclear expertise, West Cumbria can become one of Britain's fastest growing sub-regional economies, transforming the area and providing net growth to the UK economy.

This Masterplan shows how this transformation can be achieved. It is produced under the Memorandum of Agreement signed between Government and Cumbrian partners in 2005 and sets out the actions required from the private sector and local, regional and national Government. It is in line with the agreed concept of West Cumbria proofing. The delivery of this plan requires little new money. Most of all, it calls for a recognition by Government of the potential of the area to meet the UK's energy strategy and planning for this (in line with changes to planning anticipated in the Planning for a Sustainable Future White Paper), flexibility in national policies and the prioritisation of existing national, regional and local resources. This is based on clear evidence showing how these should be invested to bring specific returns to West Cumbria, Cumbria as a whole and the UK economy.

This plan is not a panacea but it does represent, for the first time ever, the willingness of all partners to work together with an agreed set of common priorities to deliver an important part of the national energy strategy and in the process transform West Cumbria and Cumbria over the next two decades. We expect that this plan will evolve over time, as markets change and successes are delivered.

The UK's energy, environmental and economic needs are not competing strands of separate policies. They are characterised by the twin challenges of climate change and energy security. The Draft Climate Change Bill and the Energy White Paper are complementary elements of a unified approach to energy and environmental policy. The Stern report sets out the massive economic benefit to the UK if

we can harness the opportunities that this change both requires and offers. This symbiosis of energy, economic and environmental policy can be seen more clearly in West Cumbria than anywhere else in the UK.

As host to the world's single largest concentration of nuclear facilities, with 36% of the UK's civil nuclear industry at Sellafield, the area has an internationally unique skills base and technological expertise. It also has a natural environment without equal. Because of its unique assets, West Cumbria can provide a crucial contribution to developing and delivering the UK's response to these global challenges. In doing so, West Cumbria itself will be transformed.

This Masterplan is, therefore, a prospectus for change and a blueprint for the future of West Cumbria. In terms of delivering economic growth, environmental sustainability and management and in meeting long term UK energy needs, the delivery of this plan is a matter of profound national interest.

West Cumbria is already an area of national importance, but by thinking globally and acting locally it has the potential to become an area of truly international significance.

The challenges West Cumbria faces are great, but the opportunities are greater. The realisation of our vision for West Cumbria requires immediate action and an integrated approach by Government. There is no time for delay.



Jamie Reed MP
Chairman, Cumbria Partners



Tony Cunningham MP
Vice Chairman, Cumbria Partners

Introduction and vision

West Cumbria has major nuclear assets and internationally competitive expertise and skills in a range of related activities, including environmental remediation, engineering and decommissioning. Employment in Research and Development is double the regional average.

These strengths and assets are of national and international importance. The UK's energy, environmental and economic policy now involves a unified approach to the twin challenges of energy security and climate change. Maintaining a sustainable national economy requires integrated answers to both. This approach will also provide major business opportunities for UK firms. It will also enable the UK to make an important contribution to European energy policy.

West Cumbria can provide a unique contribution to the UK's short and long term policy goals, transforming its own economy in the process.

Our Vision for West Cumbria is based on this unique relationship between local economic assets and transformation and national policy priorities.

West Cumbrian partners are committed to the task of continuing the transformation of our economy and communities.

We have met the challenge set for us by Government to agree a clear vision for the future of West Cumbria and to take long term decisions in the context of limited resources. Resources in the sub-region will be targeted to achieve this vision and we seek a relatively small amount of additional investment from Government in return for the contribution that only this place can make to the UK's energy and environmental goals.

By 2027 West Cumbria will be a confident place that prides itself on its strong economy providing opportunities for all and offering a lifestyle of choice. It will:

- be globally recognised as a leading nuclear, energy, environment and related technology business cluster, building on its nuclear assets and its technology and research strengths
- be a strong, diversified and well connected economy, with a growing, highly skilled population with high employment
- project a positive image to the world, and be recognised by all as an area of scientific excellence, outstanding natural beauty and vibrant lifestyle, which attracts a diverse 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.



West Cumbria: World leader in energy

By 2027 West Cumbria will be globally recognised as a leading nuclear, energy, environment and related technology business cluster, building on its nuclear assets and its technology and research strengths.







West Cumbria: Skills for all

By 2027 West Cumbria will be a strong, diversified and well connected economy, with a growing, highly skilled population with high employment.

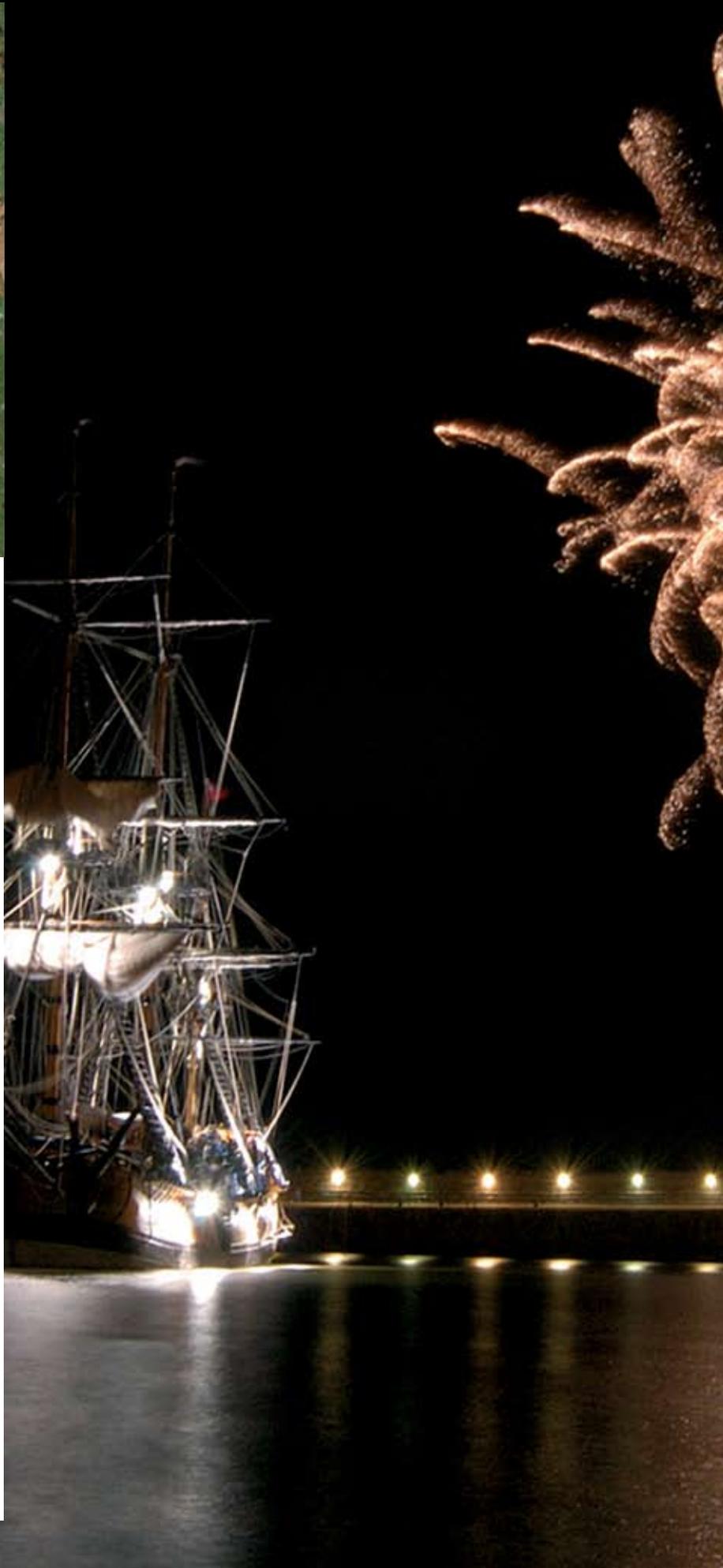






West Cumbria: Vibrant lifestyle

By 2027 West Cumbria will project a positive image to the world, and be recognised by all as an area of scientific excellence, outstanding natural beauty and vibrant lifestyle, which attracts a diverse population and visitor profile.







West Cumbria: Fantastic environment

By 2027 West Cumbria will provide opportunities for all its communities, where geography is not a barrier to achievement and where deprivation, inequality and social immobility have been reduced.



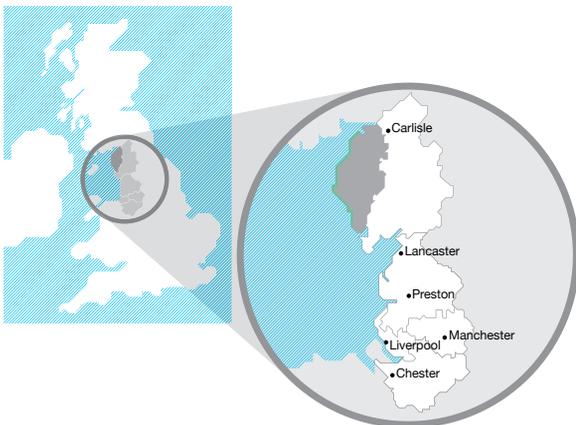


3 / Economic and spatial context

West Cumbria is located on the North West coast of England. It extends from Barrow-in-Furness in the South towards Carlisle in the North and centres on the Local Authority districts of Copeland and Allerdale.

West Cumbria is a £2.8 billion economy, with a population of 167,000 people, 2.4% of the total North West population of 7 million. It covers an area of 2,000 sq km, almost a third of the Cumbrian sub-region and 14% of the North West. It is characterised by large, sparsely populated rural areas and small urban centres. Whitehaven and Workington are the two largest towns. Part of West Cumbria is within the Lake District National Park (LDNP) providing the area with a world class tourist brand. However it also represents a physical barrier between West Cumbria and key markets in the North West and North East. The area has a designated Strategic Regional Site, providing a strong innovation ecosystem and centre for knowledge transfer at Westlakes Science and Technology Park, south of Whitehaven.

West Cumbria is remote from large settlements and major transport infrastructure, being over 40 miles from the M6 motorway and West Coast Mainline rail links. Carlisle is the closest major population centre to West Cumbria, located to the North East and connected by the A595 (with 38 miles and just over one hour's driving time between Whitehaven and Carlisle). Barrow-in-Furness is geographically close to south Copeland, with the town of Millom only around 7 miles from Barrow 'as the crow flies', but over 25 miles by road.





Core energy coast area

Workington – commercial centre

- 1 Derwent Howe
- 2 Derwent Forest
- 3 Port activities

Lillyhall

- 4 Nuclear Academy North West
- 5 Lakes College

Whitehaven – commercial centre

- 6 Pow Beck
- 7 Harbour
- 8 Moresby

Westlakes Science Park

- 9 Nuclear Decommissioning Authority
- 10 National Nuclear Laboratory
- 11 University of Manchester Dalton Cumbria Facility
- 12 West Lakes Research Institute/UCLaN
- 13 Technology Centre

Education assets

- University of Cumbria
- BSF Programme and Sellafield retraining

● Commercial centres

- Concentration of nuclear activity

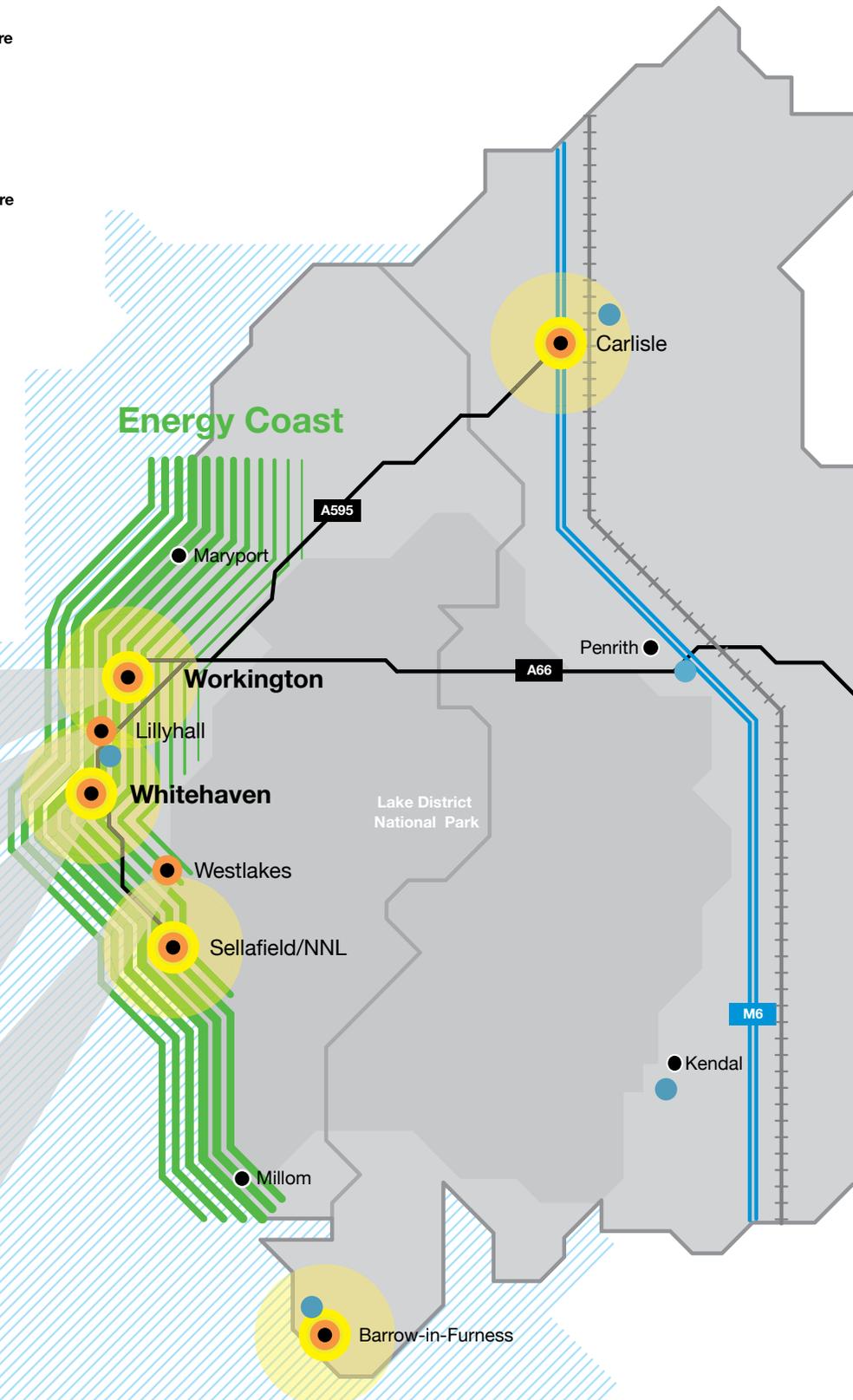
2 1
Workington – commercial centre
3

4
Lillyhall
5

6
Whitehaven – commercial centre
7 8

9 10
Westlakes Science Park
11 12 13

Energy Coast





Economic performance

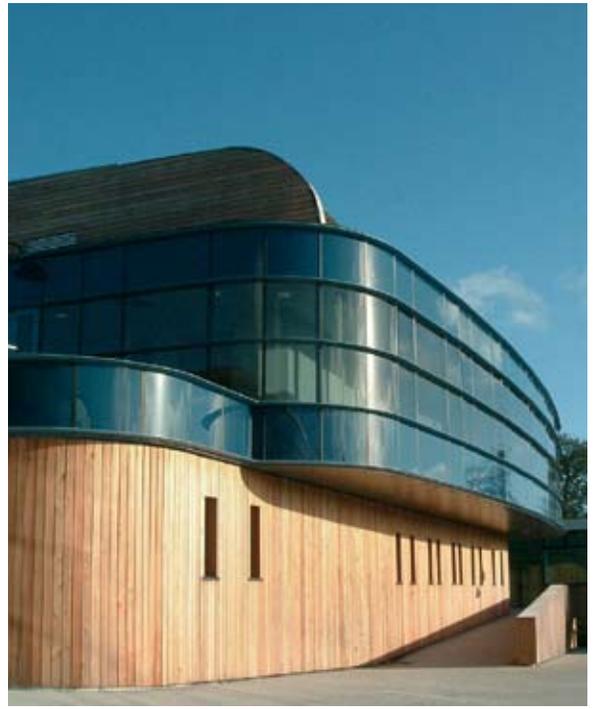
West Cumbria's historic economic performance is driven by the dominance of the nuclear industry and the restructuring of older manufacturing industries such as steel and shipbuilding. There is a higher than average representation of employment in manufacturing (including nuclear) and research & development. Between 2000 and 2005 manufacturing declined by 28% and public administration by 13%, with growth focus in business services and tourism related activities.

Growth in economic output has been slow, reflecting a decline in manufacturing output and the relatively low representation of financial and professional services. Between 1999 and 2004, West Cumbria had the lowest growth of any NUTS3 region, at just 12.1% (includes Barrow). The North West's growth rate for the same time period was 27%. Economic output per head is also lower than the North West average. However more recent economic data suggests that things are improving, not least due to considerable public investment over a sustained period. The latest data shows that GVA in West Cumbria grew by 5.3% (2003-4) compared to 5.7% in the North West as a whole.

West Cumbria has a stable and growing business base. There are approximately 6,200 employers in West Cumbria employing 55,000 people, with lower start up rates but also lower levels of business failures than the regional average. Economic activity rates and employment rates are also slightly higher than the regional average. Benefits counts for West Cumbria are also lower than for the region as a whole. Information on average earnings and average income levels gives a mixed picture, reflecting high earnings within the nuclear sector, but low earnings elsewhere, together with the presence of higher than average numbers of relatively wealthy older people who have chosen to live/retire near the Lake District.

In the later part of the 20th century the perception that the nuclear industry, manufacturing and engineering did not provide attractive employment prospects led to a significant exodus of young people, although there is some more recent evidence that this exodus is slowing down. West Cumbria's population declined by 2.8% between 1991 and 2001, with a disproportionate loss of 30% of young people over the same period.

The cluster of nuclear and related manufacturing and engineering activity at and around Sellafield in Copeland has earnings and output levels closer to the regional average. But the historic long term nature of contracts in the sector, and the only very recent opening up of new opportunities and markets, has meant that skill levels, wages and output have not yet grown in the same way as the wider region and UK.



The current changes in the nuclear sector, from immediate opportunities in the £300 billion global decommissioning market to longer term solutions for waste and new build, provide West Cumbrian business and people with the economic opportunity to transform economic performance, if the skills and techniques can be attracted and developed to enable them to engage in new markets successfully.

West Cumbria is the UK's most important location for nuclear and related advanced engineering, with around a third of the UK's civil nuclear sector. The nuclear industry provides around 40% of West Cumbria's GVA. The Sellafield site accounts for over 12,000 direct jobs, There are also 2,630 indirect jobs with the combined total accounting for 22% of West Cumbria's workforce and 47% of Copeland's.

The last three years have seen above average increases in house prices and increasing demand for high quality housing from incoming people responding to the change in the nuclear sector. This has led to growth in renting and real estate. Construction has also seen strong recent growth as has the hotel and restaurant sector.

4 / Opportunities and assets

West Cumbria has major assets which can form the basis of sustainable long term economic success. These are also of fundamental importance to wider UK energy and environmental objectives, with impacts far beyond the sub-region.

Research and Technology

West Cumbria is home to a major concentration of research skills and facilities in nuclear and related technologies, with strong and growing potential for commercialisation into new markets. The BNFL Technology Centre, the core of a proposed National Nuclear Laboratory is located at Sellafield, employing some 300 engineers and scientists. Westlakes Science Park provides a significant centre for knowledge transfer and innovation in existing and spin-off markets through the proximity of the knowledge base, research and supply chain partners.

Decommissioning Expertise

As well as resulting in the loss of existing jobs, the UK's £80bn decommissioning programme will require new skills and techniques, providing major opportunities to existing and new firms. The global decommissioning market is worth some £300bn, with many techniques and services in areas such as environmental remediation being readily transferable into much wider markets. West Cumbria has the major research facilities and skills and potential required to successfully develop and commercialise new approaches.

Radioactive Waste

The area has internationally competitive skills and experience in radioactive waste handling, storing and packaging and will ensure that it is well placed to make the most of the opportunities that future Government policy will provide for West Cumbrian businesses.

The County Council, Copeland and Allerdale Borough Councils will assist in the development by DEFRA of a national framework for the siting process. Copeland Borough Council has indicated that, in view of the presence of approximately 70% of the nation's higher activity waste in the borough already, it would be prepared to talk to Government about the potential for a partnership between the Borough and Government, with the possibility of Copeland hosting facilities for the nation in the future. However, any such decision would be without prejudice or commitment, and any decision to move forward would need to be the subject of a wide consultation in West Cumbria, and subject to the views of the people of Copeland.



Power Generation

West Cumbria has strong skills and assets in Nuclear Power Generation. At Sellafield, the NDA owns enough uranium and plutonium to power two 3rd Generation 1.6 Gigawatt reactors for 60 years with no Government funding required. This could provide a strong platform for the 4th generation reactors available in around 2020 that would provide localised power, a MOX fuel burning capability and heat transfer technology to produce hydrogen and other forms of energy.

West Cumbria's coast provides good opportunities for other renewable energy generation (e.g. wind, tidal). Whilst other regions have similar coastal areas, none also have the concentration of expertise and local support for power generation and related infrastructure.

Environment and Tourism

West Cumbria's coastal environment and proximity to the Lake District also provide a high quality of life and a strong and well recognised brand and image. Further private sector investment will be stimulated by ongoing improvements to public realm and tourism and leisure services. House prices are rising ahead of the regional average, and there is strong demand for executive and aspirational housing, with the land to meet strong developer interest.

Tourism is also an important industry for West Cumbria, generating around £400m in annual revenue. Eight of Cumbria's top 20 visitor attractions are located in West Cumbria. It is the start of long distance coast to coast walking and cycling routes and Hadrian's Wall. West Cumbria is well placed to increase the value of its tourism revenue by strengthening its visitor offer.

Summary

The West Cumbrian economy is dominated by the nuclear sector, with activity focused around Sellafield and the related supply chain and research activity. This is the driver for most of the statistics that we have presented. This raises median income levels above average, is raising house prices and drives skills levels and employment rates.

Outside of this cluster West Cumbria has a relatively low GVA/head, low income levels and a relatively old retired population. Its industry is dominated by manufacturing and public administration, all of which are experiencing rapid decline in the area. Without a strong nuclear sector the economic performance of the area would be extremely poor.

However, given the challenges faced by UK energy policy, changes in the nuclear sector through decommissioning of current sites and the unique assets and strengths of West Cumbria, there is a real opportunity to solve two issues at once. We can deliver an effective contribution to UK energy and environmental needs. At the same time, building on West Cumbria's strengths, we can improve its economic performance by diversifying from a reliance on existing jobs at Sellafield into an economy which is competitive in the wider energy and environmental sector. This Masterplan sets out how this can be achieved.

Drivers

This Masterplan sets out how we can deliver our vision, maximising our assets and the opportunities they present, by addressing the three most important factors and drivers of the West Cumbrian economy:

- Business and Enterprise
- Skills and Research
- Connectivity and Infrastructure

This Masterplan sets out the issues and factors that affect each driver, and identifies priority actions to influence each.

It shows how public sector investment is required where there is clear evidence of market failure, and how the private sector can be most effectively encouraged to take advantage of the opportunities that existing and future markets present.

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Business and enterprise

Our aim is to enable West Cumbria to become a globally competitive energy and environmental cluster. We will build on existing strengths in the energy sector, environmental remediation, decommissioning and related manufacturing and engineering. We will support businesses to take advantage of and diversify into new markets, exploit the more competitive environment in the nuclear sector and encourage greater levels of business start ups and enterprise. We will work to improve Cumbria's tourism offering and increase the value of the sector.

Facts

Employment and enterprise in West Cumbria is concentrated in four sectors. Three quarters of the workforce are employed in manufacturing, distribution, hotels and restaurants and public services.

Compared to UK averages, West Cumbria is under represented in the higher value added sectors of banking, finance and insurance. Employment in these sectors is only 11 % compared to 21 % in the UK.

Manufacturing and engineering is dominated by the civil nuclear sector and has been so for many years with West Cumbria the home to 36% of the UK's civil nuclear industry. This accounts for 40% of the sub-region's GVA, directly employs 12,000 people and supports a further 2,600 jobs. This is a relatively well skilled sector, with 32% of all businesses in Copeland defined as 'knowledge based enterprises' compared to 20% in the North West and 21 % in the UK. There are also a relatively high number of advanced engineering businesses within West Cumbria.

This concentration of nuclear-related assets, also including UCLAN's Westlakes Research Institute and the Nuclear Decommissioning Authority, has clear economic potential and is already a strong cluster showing recent growth. Its ongoing development is in line with UK policy to create the conditions that encourage internationally competitive clusters.

In the next 5-10 years, decommissioning will be the major business opportunity. The Nuclear Decommissioning Authority will spend £43 billion within West Cumbria on its decommissioning programme. Globally, decommissioning represents a £300 billion market. This presents major opportunities for new and established West Cumbrian businesses to win contracts in decommissioning and to expand into national and international markets.

West Cumbria
Business and Enterprise



Workington – commercial centre

- 1 Derwent Howe
- 2 Port activities

Whitehaven – commercial centre

- 3 Pow Beck
- 4 Harbour
- 5 Moresby

Westlakes Science Park

- 6 Nuclear Decommissioning Authority
- 7 Supply Chain Businesses

- Supply chain business
- Inward investment
- Concentration of nuclear activity/nuclear linkages
- Other business linkages

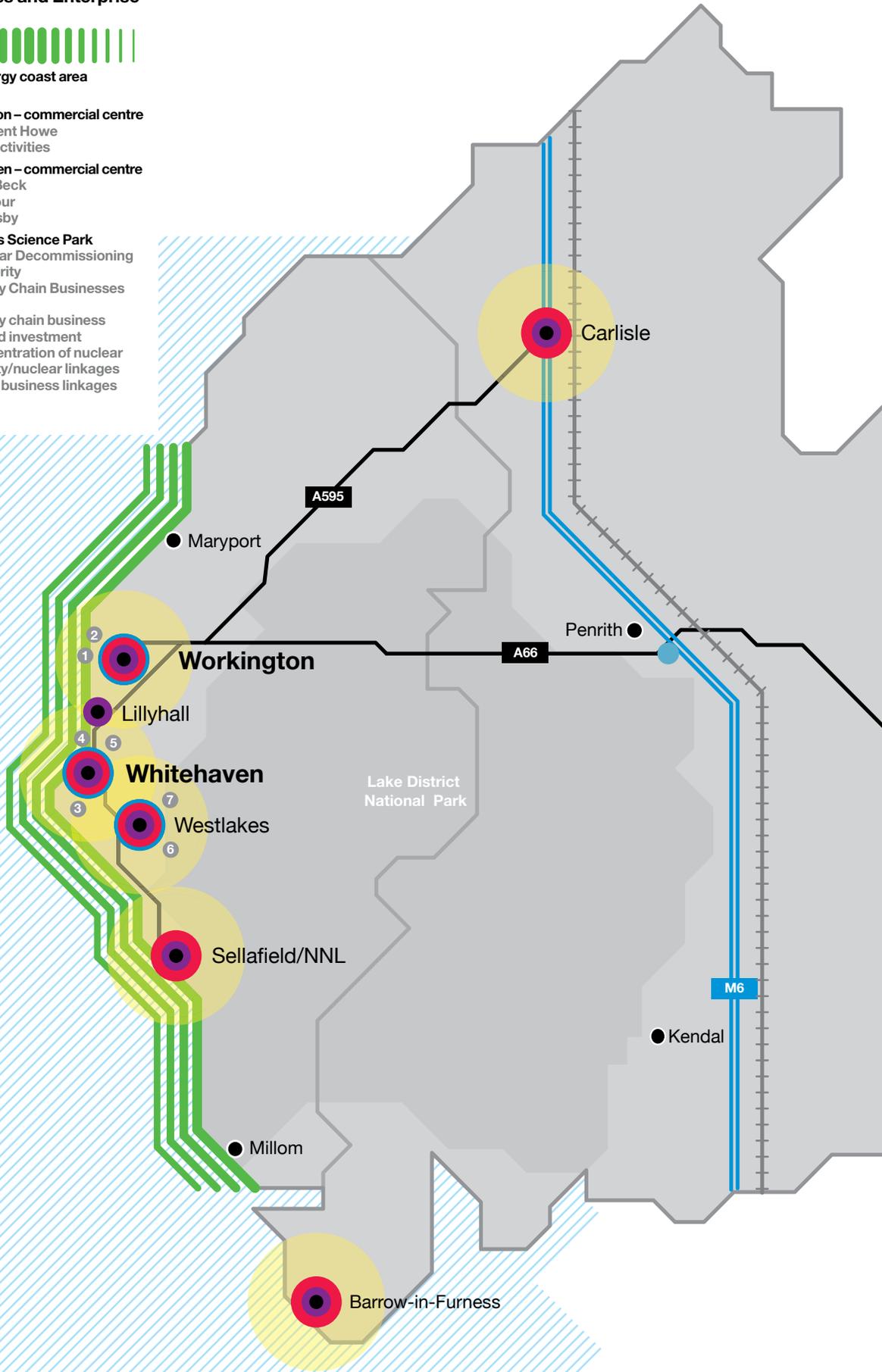
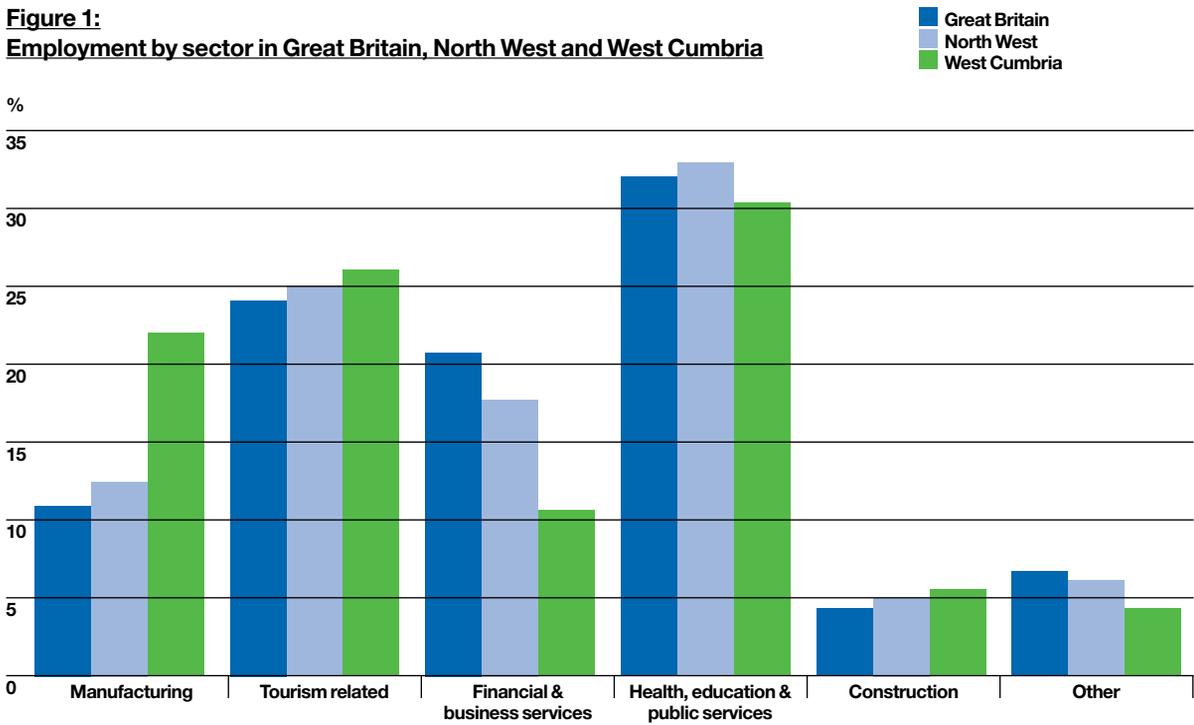


Figure 1:
Employment by sector in Great Britain, North West and West Cumbria



In the longer term, UK policy on waste and nuclear power generation will also present strong opportunities for West Cumbrian firms with existing expertise and the capacity to develop the new techniques which will be required.

Outside the nuclear industry, the private sector is largely dominated by a small number of large employers such as Iggesund (paperboard) and Innovia Films. These firms are mostly externally owned, with key decisions taken outside of the region or country. For example, Canadian company Alcan Inc. owns two operations based in Workington. In 2007 Alcan announced the closure of its Workington plant with manufacturing being relocated to two French plants and there have also been job losses at the second Alcan Packaging factory.

The area's industrial structure needs to change more quickly to take advantage of new opportunities or to respond to growing threats.

Past reliance on large employers as providers of long term jobs has traditionally stifled enterprise. In the ten years to 2005, the national VAT business stock grew by 14.7% but in West Cumbria, by just 3.9%.

Although employment in tourism-related sectors in West Cumbria (hotels, restaurants, retail trade and wholesale trade) provides 25% of total employment, it has grown only slightly over time. Growth in tourist visitors and revenue is slower than that for Cumbria as a whole and is not increasing fast enough to counter the decline in manufacturing.

Key Issues

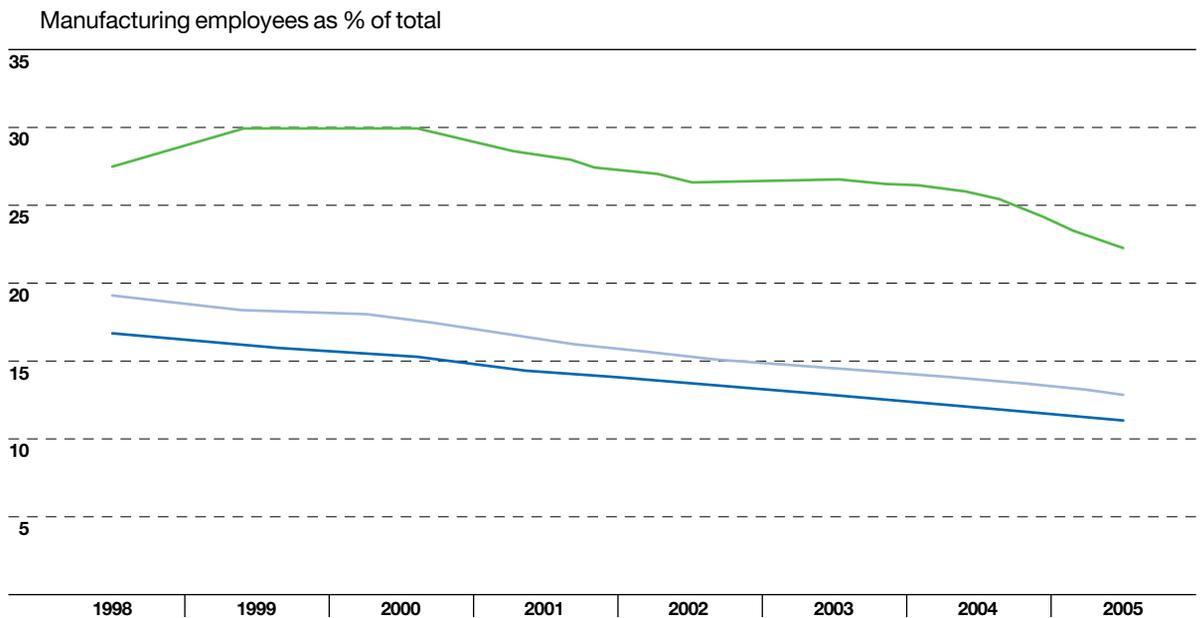
Whilst robotics, environmental clean up and energy conservation have clear synergies with nuclear related opportunities, diversification into new technologies and innovation within West Cumbria not been systematically successful, with limited **exploitation of IP** and few new spin out businesses being created. Support is required to develop and diversify business activity into new areas, learning the lessons of past experience to ensure success.

We must increase further levels of innovation and business creation and foster collaboration between organisations to allow access to skills and knowledge which are not yet located in the region.

The **management and storage of radioactive waste** and other nuclear materials is already a significant activity in West Cumbria. Much of this is generated locally from historic activities or reprocessing of spent fuel, whilst much is also imported to be disposed of or stored locally. Issues around radioactive waste are complex, controversial and of international interest and significance. They generate considerable public comment and do have an impact on the image of West Cumbria. However, expertise in the management of radioactive waste has provided direct economic benefits for many years and is a key issue for Government to address with local partners.

Figure 2:
Decline in manufacturing sector employment over time

— Great Britain
— North West
— West Cumbria



Of particular significance is the 85 tonnes of plutonium currently stored at Sellafield, which has arisen from the reprocessing of Magnox fuel. This material is currently held as a zero value asset by NDA and would cost some £2.6 billion to convert into a passively safe waste for disposal. Alternatively, in conjunction with the 51,000 tonnes of depleted uranium from the same source it could be converted to MOX fuel at a net cost of £0.4 billion.

Subject to Government endorsement of a **future role for nuclear generation**, this fuel could be used to power two 1.6 GW(e) fourth generation reactors for up to 60 years. If these were built near Sellafield they would generate up to £20 billion inward investment without the need for Government funding and avoid the creation of 0.5 billion tonnes of CO₂. Furthermore they could provide a path to future energy sources such as hydrogen, thereby augmenting even more the overall vision of Britain's Energy Coast.

Progress so far

The **Nuclear Decommissioning Authority's** location has helped establish West Cumbria as the UK hub for decommissioning and provides opportunities to grow the business into international markets. There have already been a significant number of other inward investments on the back of the NDA investment with several major US multinationals choosing to set up offices in the area. Much of this stems from the work undertaken by West Lakes Renaissance (WLR) and Invest in Cumbria.

The existence of the **Westlakes Science and Technology Park** and the work of the **Nuclear Opportunities Group**, under the co-ordination of Westlakes Renaissance with the involvement of local and regional stakeholders, has played an important role in maximising decommissioning business exploitation, supply chain development and other business opportunities.

Actions Required

To build on progress so far and to exploit the many nuclear related opportunities, and to create the landscape for business to become established, grow and diversify, the following major priorities have been identified:

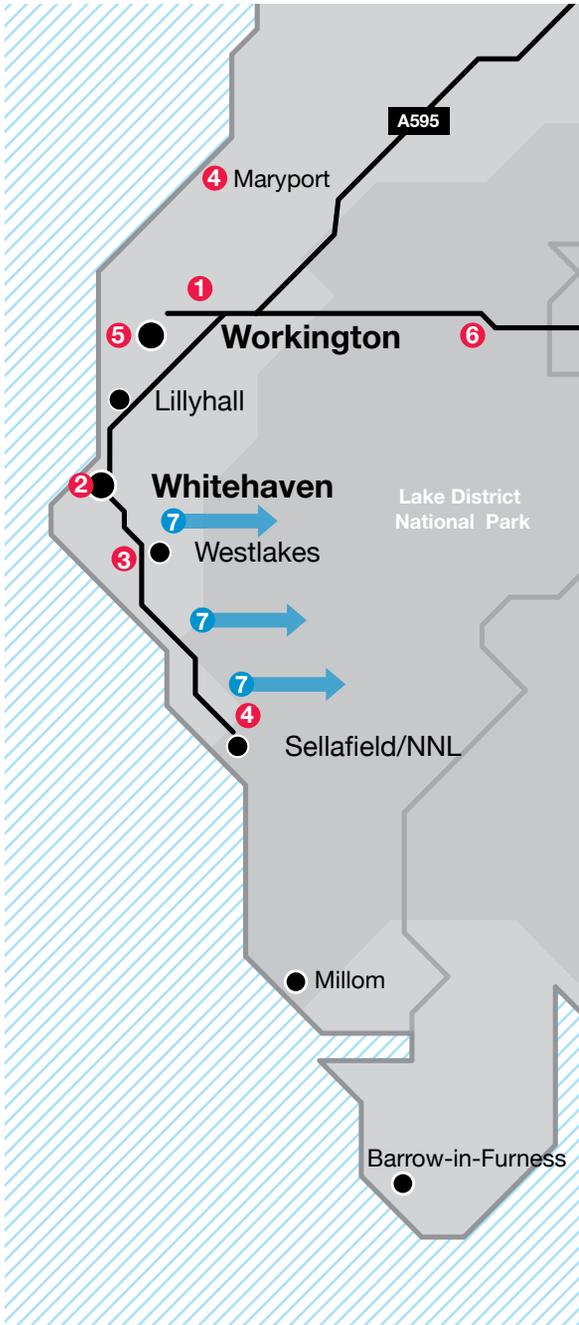
- We will continue to **strengthen decommissioning support** for business to ensure that the right sort of enterprise, procurement and business support assistance is provided within the parameters of the Business Support Simplification Programme.
- We will **develop a programme of enterprise support**, within the Business Support Simplification Programme framework to include targeting of enhanced support for high growth and knowledge based businesses and initiatives to improve enterprise culture and skills.
- **We need Government to ensure that National Nuclear Laboratory is established** with a remit to make its assets available for technological and research support to business and support IP exploitation.

West Cumbria priorities

- 1 Derwent Forest
- 2 Whitehaven harbour
- 3 St Bees
- 4 Hadrian's Wall (Ravenglass/Maryport)
- 5 Workington Harbour and Powerhouse
- 6 Keswick

Key Spatial Strategy

- 7 Gateways to the Western Lakes



- **We will continue to develop** Westlakes Science Park as the home of Westlakes Research Institute and a centre for knowledge transfer and innovation to enable businesses to capitalise on NDA's investment programme, including building on any local-central government partnership on solutions for the long-term storage of Nuclear Waste.
- We will develop a commercialisation programme, with private sector contractors to capitalise on the existing or emerging Intellectual Property that exists at Sellafield through **WLR** and **Business Link**.
- We will enhance **inward investment** work to build on nuclear opportunities and to seek diversification into other sectors, particularly energy-related and environmental technologies.
- We will enhance **enterprise and entrepreneurship** programmes in schools and put in place a programme to increase business start up rates. We will drive business innovation through the Business Link service.
- We will continue to seek public sector operations and relocations building on the success of location of the **Nuclear Decommissioning Authority** and **DEFRA's British Cattle Movement Service** at Workington.



Summary of business and enterprise priority actions

| Action | Lead | Cost | Priority |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------|-----------------|
| Programme of enterprise support, including high growth companies and enterprise skills and start up programme. | NWDA , Local Authorities and local enterprise agencies, organisations | £12m | Immediate |
| Inward investment support and procurement support for local contractors. | Invest in Cumbria , NWDA and WLR | £500k | Immediate |
| Develop Technical support for companies to achieve proof of concept and develop new techniques/products, building on facilities at BTC/NNL and Westlakes Science Park. | NNL , WLR | £500k | 0-5 years |
| Develop enterprise culture initiatives for adults, especially those over 50, to encourage them to consider enterprise as an alternative to being an employee. | Cumbria Skills and Employment Board | £500k | 0-5 years |
| Development of high quality hotel and conference offering, increasing business and leisure town centre accommodation offer. | Private sector and Local Authorities | Nil, privately funded | 0-5 years |
| Programme of Commercialisation support to maximise IP exploitation and spin out benefits existing techniques and processes from within Sellafield. | NDA , WLR and Site operators | £5m | 0-10 years |
| Public sector relocations/ investment. | Invest in Cumbria , NWDA and WLR | £750k | 0-10 years |
| Consideration of a Local-central Government partnership on solutions for the long-term of Nuclear Management. | DEFRA and DTI with Local Authorities | Nil | 5-10 years |

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Skills and research

Our overall goal is to ensure that West Cumbria maintains and further develops the research capacity and skills required to sustain a globally competitive energy and environmental technology cluster, with internationally competitive research strongly linked to business growth in new markets. We will ensure the supply of intermediate and technical level skills required by businesses to take advantage of changes in the nuclear sector and new markets. We will build on the strong supply of basic skills. We will improve participation and progression rates and graduate retention.

Skills Facts

20% of working age people are educated to degree level, compared to 25% for the North West and 26% nationally. But there are a smaller proportion of individuals with no qualifications in West Cumbria (10%) lower than the North West (17%) or the national average (14%).

West Cumbria also has lower than average levels of educational participation amongst young people. Whilst skills at level 1 and 2 in the existing workforce are higher than the North West average, low participation amongst 18-19 year olds, due to a perceived lack of opportunity, suggests that this advantage could be lost in the future workforce. Increasing effective enterprise training in schools and enabling children to understand the opportunities within local enterprise will be important.

West Cumbria has a number of high value science and research assets and skills, including the British Technology Centre labs at Sellafield.

West Cumbria
Skills and Research



Workington – commercial centre

Lillyhall

- 1 Nuclear Academy North West
- 2 Lakes College

Whitehaven – commercial centre

Westlakes Science Park

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- 4 University of Manchester Dalton Cumbria Facility
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Education assets

- University of Cumbria
- BSF Programme and Sellafield retraining

Skill assets

- Concentration of nuclear activity
- Concentration of research activity
- Concentration of skills development

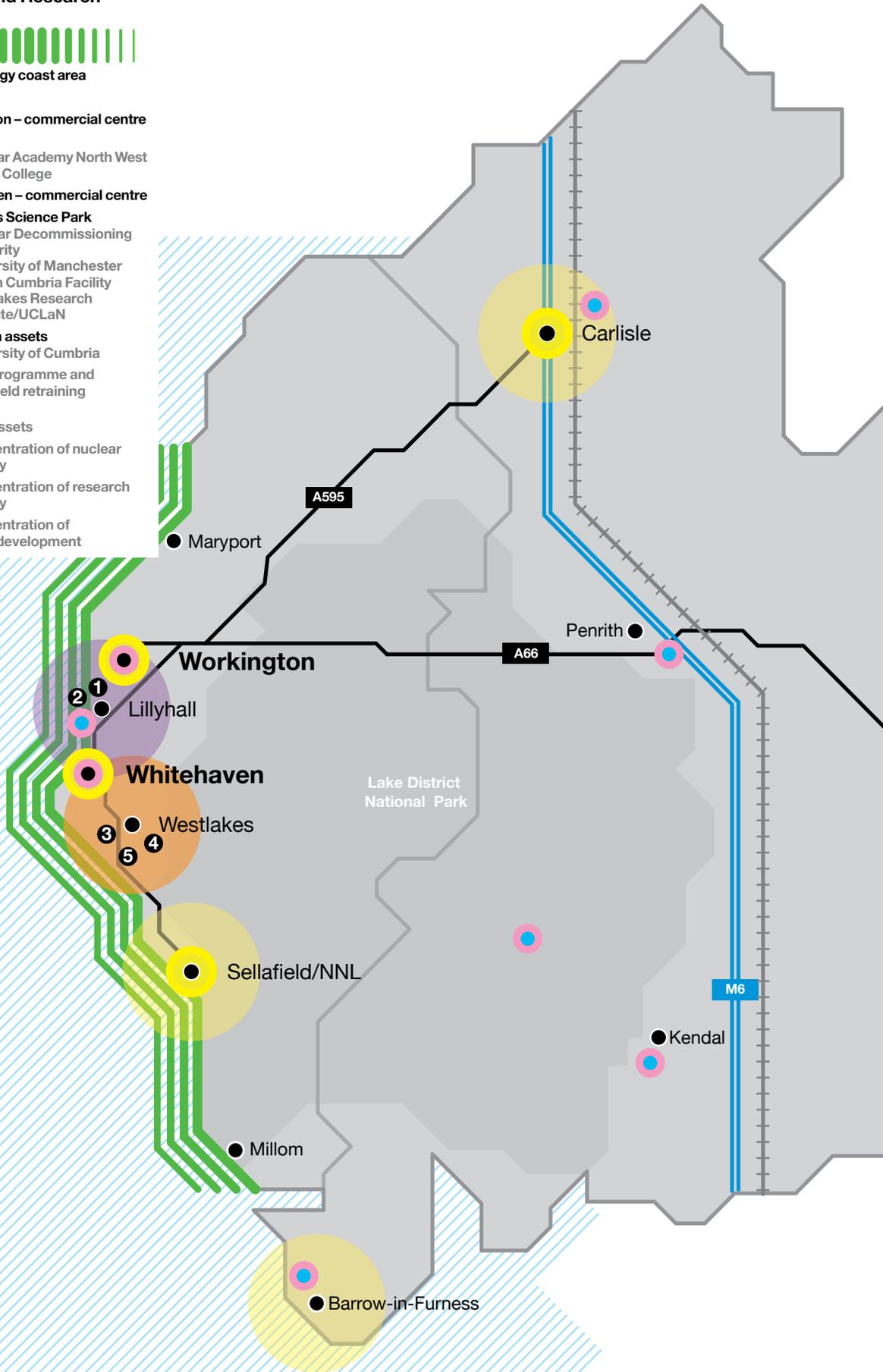
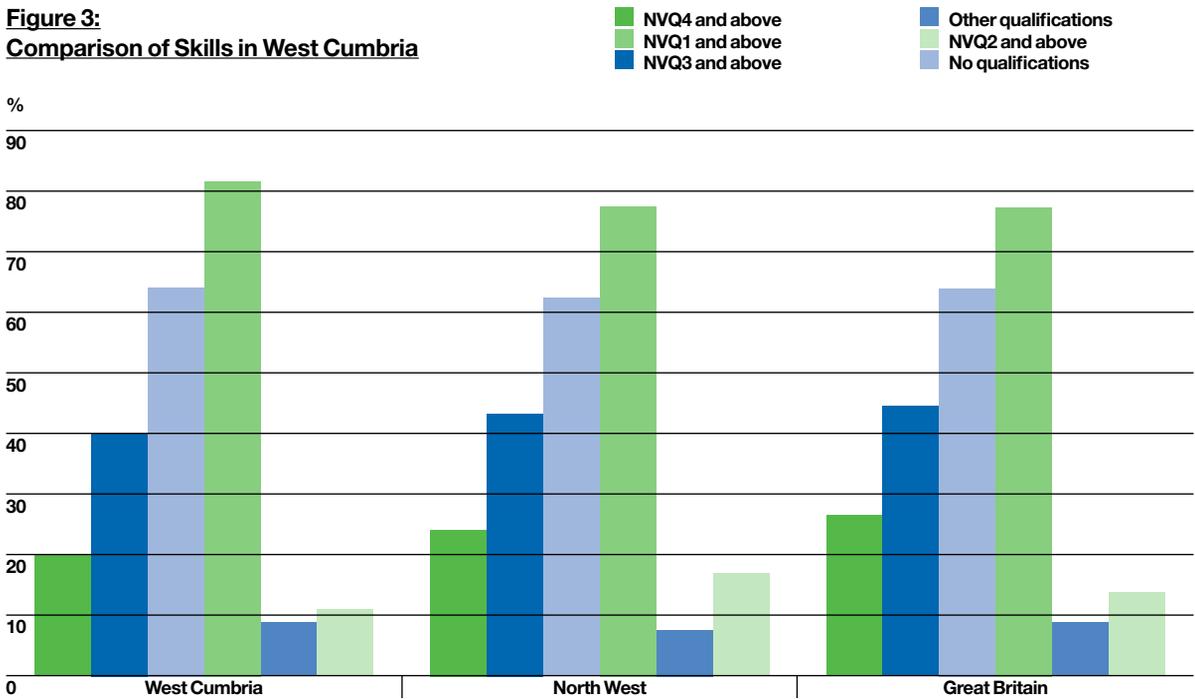


Figure 3:
Comparison of Skills in West Cumbria



Key Issues

West Cumbria’s current skills base is driven largely by the nature and long term dominance of the nuclear sector and a small number of major manufacturing employers.

West Cumbria has to meet two fundamental skills challenges to enable it to take advantage of the opportunity presented by its own assets and UK policy objectives:

- ensuring that its existing workforce adapts and develops the skills required to take advantage of a more commercial civil nuclear sector requiring new skills and techniques, so that they can take advantage of contract opportunities at Sellafield and also diversify into new markets;
- developing a future workforce with the levels of business, technical and management skills required to play a full role in the future civil nuclear sector and associated supply chains and markets, particularly in the global decommissioning market and environmental technologies and remediation.

Fundamental to achieving both these goals is the need to attract and keep young talent in the area, tackling progression and low participation at 18-19 and addressing some of the deep seated issues around aspirations of young Cumbrians.

Businesses do not yet have the levels of higher level skills required in areas such as project and general management and engineering. The long term nature of contracts in the nuclear industry, together with a lack of competitive structure has also led to lower levels of business start up and associated enterprise skills. As the sector becomes more competitive companies will need these skills to succeed and will need to move up the value chain to remain competitive.

The current decommissioning programme will require new skills and techniques over at least a 25 year period. Potential solutions to nuclear waste and new generation would also require new skills and techniques, providing opportunities for a skilled future workforce.

West Cumbria’s existing working population has internationally competitive skills in waste management, storing and packing together with associated engineering. Whilst specific techniques are highly specialised, many of the skills required are readily transferable to wider industrial markets such as environmental remediation, demolition, construction and mechanical engineering.



Engineering work

Research

West Cumbria's existing research assets already make it stand out as a developing centre of excellence for the nuclear sector. Current plans, such as the National Nuclear Laboratory and Dalton Institute will build on these strengths, generating the research potential needed to underpin the longer term performance of the business cluster in the area.

The location of the Nuclear Decommissioning Authority in West Cumbria is already acting as a catalyst to focus research and supply chain activity and support growing commercial research and technology activity that can compete both nationally and globally principally in decommissioning markets and increasingly with broader nuclear and clean energy technologies.

Progress so far

Working with partners, the **Northwest Regional Development Agency** has worked to develop a strong evidence base and understanding of existing and future business and individual needs at all levels of skills and research. This drives decisions about investment and location of skills provision and research assets. In a relatively small spatial area, our aim has been to ensure that the growing business cluster is underpinned by the right skills and research provision. Provision and new facilities are being carefully located in order to drive progression rates, maximise links between institutions, ensure appropriate skills are available (including through workbased training and distributed learning), and to maximise the interaction between research and businesses.

Significant actions are already underway, based on linking existing and new provision with population centres, business and research locations:

- The new **University of Cumbria**, has been designed specifically to address the challenges of:
 - The poor economic performance of the county over the past decade.
 - The current and historic low level of HE participation in significant parts of Cumbria, especially West Cumbria, and poor progression post 16.
 - Geographical barriers limiting access to HE, which are especially acute in West Cumbria.
 - Low graduate level skills and retention.
- The University will receive its first intake of students in September 2007, and will begin to address the gap in degree level skills in West Cumbria. The University will design and deliver programmes specifically to meet the demands made by the following groups in the region:
 - People completing FE Level 3 qualifications where there is lack of progression opportunities to HE Level 1.
 - Young people leaving school lacking confidence and aspirations to progress to HE.
 - Adults returning to education after a period of economic inactivity.



- Employers seeking to upskill their workforce in response to new economic demands, organisational requirements or legislative changes.

It will do this by working closely with both Lakes College at Lillyhall and Furness College at Barrow-in-Furness.

The University will engage with local and regional employers and will deliver the skills agenda they demand within a flexible and distributed framework ensuring that learning opportunities can be accessed at a time and place convenient to the student. It will prioritise skills relevant to Cumbria's economy including forming partnerships with institutions with existing excellence in project management, business and finance and advanced science and engineering.

In West Cumbria, the University will look to co-locate with existing FE provision and the Nuclear Academy North West to create an integrated campus for the delivery of higher and further education and work-based learning.

- The **National Skills Academy for Nuclear (NSAN)** is tasked with providing appropriate skills for the nuclear industry as it evolves and moves into decommissioning phase, and to offset the declining skills base as the sectors current workforce retires.

- The **Nuclear Academy North West**, is being established as the regional delivery arm of the NSAN on the Lillyhall site alongside existing FE provision. This will ensure the technical skills exist to realising business the benefits from decommissioning.

- Westlakes Science and Technology Park provides a major location outside the Sellafield site for research and technology activity and will form the key location for future growth in this area. It incorporates the **Westlakes Research Institute (WLRI)** providing major commercial research and scientific services.

- The University of Manchester and Nuclear Decommissioning Authority are also constructing the **Dalton Cumbria Facility** at Westlakes. This facility, part of the Dalton Institute at the University of Manchester will offer fully equipped world class laboratories with state of the art teaching and education facilities.

- Westlakes Science and Technology Park is also the site of the NDA headquarters and key organisations in the supply chain. It provides a major innovation ecosystem and is the centre for the interaction between research, enterprise and knowledge transfer that is a vital component of the Energy Coast cluster.

Skills and research – summary of priority actions

| Action | Lead | Cost | Priority |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|-------|------------|
| Deliver National Nuclear Skills Academy and Nuclear Academy North West | Nuclear Academy North West | £20m | 0-5 years |
| Deliver Dalton Institute, providing world class teaching and laboratory facilities | Dalton Institute, NDA | £100m | 0-5 years |
| Deliver a skills development programme for Sellafield and supply chain workers | NDA, Site Contractors | £5m | 0-5 years |
| Deliver new University of Cumbria and provision in West Cumbria for priority skills e.g. project management through links with other institutions | UoC, HEFCE, NWDA, NDA, LSC, Cumbria Vision | £200m | 0-10 years |
| Deliver National Nuclear Laboratory, Headquartered in West Cumbria, with remit to support commercialisation and product development with business (cost refers to NDA liability once BTC labs fully commissioned) | DTI, NDA, BNFL | £180m | 0-10 years |
| Bring forward Building Schools for the Future and Academies programme | DfES, Local Authorities | £205m | 0-10 years |
| Strengthening Enterprise training in schools | Local Authorities | Nil | 0-10 years |

Actions Required

- We will **strengthen enterprise skills training** in Schools building on and learning the lessons of existing programmes, linked to NDA and Sellafield contractors.
- We will put in place a programme of skills development for **Sellafield and existing supply chain workers** to ensure that they can take the opportunities provided by the energy coast cluster and changes in the nuclear sector and that business has the skills it needs to engage in new markets and transfer existing techniques to the wider energy and environmental sectors.
- **Government** now needs to follow through on its commitment to the development of a **National Nuclear Laboratory**, with the BNFL Technology Centre at Sellafield as a major element and further facilities at Westlakes to ensure links with industry and other research institutions outside the Sellafield site but within the West Cumbria nuclear cluster.

This will play a key role in supporting the development of enterprise through exploitation of IP, supporting decommissioning projects and creating domestic links with existing West Cumbrian research organisations and international links with sister institutions such as French CAE.
- To ensure that we have the schools required to attract and retain people into the area with their families, and to provide the future workforce, we need **Government** to reflect future demand, and accelerate the **Building Schools for the Future and Academies programme for West Cumbria** to start in 2011.

Connectivity and infrastructure

Our aim is to ensure that West Cumbria has the virtual and physical connectivity it requires to ensure that its assets meet UK needs and can interact with new markets and share and benefit from globally competitive knowledge and expertise. West Cumbria's potentially unique role in and leadership of the future civil nuclear sector will justify future investment in connectivity and infrastructure beyond current priorities.

The UK needs West Cumbria's assets and skills to provide solutions to national policy requirements for decommissioning, nuclear waste handling and storage and the research skills required for the UK to maintain its civil nuclear expertise. Connectivity to markets, global research and academic networks are core to West Cumbria maximising this opportunity, as is the infrastructure to attract and retain highly skilled people and businesses.

This will require effective transport connectivity within West Cumbria, to ensure the interaction of research, business and academia both inside and close to nuclear and research sites and continued improvements to connections to the UK and global markets. The unique role that West Cumbria can play in delivering future energy and environmental policy will therefore justify a small number of future infrastructure improvements that are currently above and beyond existing priorities identified through the Regional Funding Allocation process and will be considered in future prioritisation rounds.

Geography remains an issue for West Cumbria but less so than it did in the past. As the most remote sub region in England, new forms of communication and technology, globalisation and economic integration are making geographical boundaries and barriers less important.

Many of the priorities are already picked up in existing strategies and plans such as the Regional Economic Strategy and West Lakes Renaissance's business plan but others need to be addressed. Not all are covered by the latest Regional Spatial Strategy (RSS) and it will be important for Government to take full account of the RSS panel's proposal to re-classify West Cumbria as a Regional Priority Area. This will be particularly important in the context of transport, housing and employment sites.

West Cumbria
Transport Priorities



Committed investment

- 1 Carlisle Northern Development Route
- 2 West Coast Mainline
- 3 A595 Parton-Lillyhall scheme
- 4 A590 High & Low Newton Bypass

Road priorities

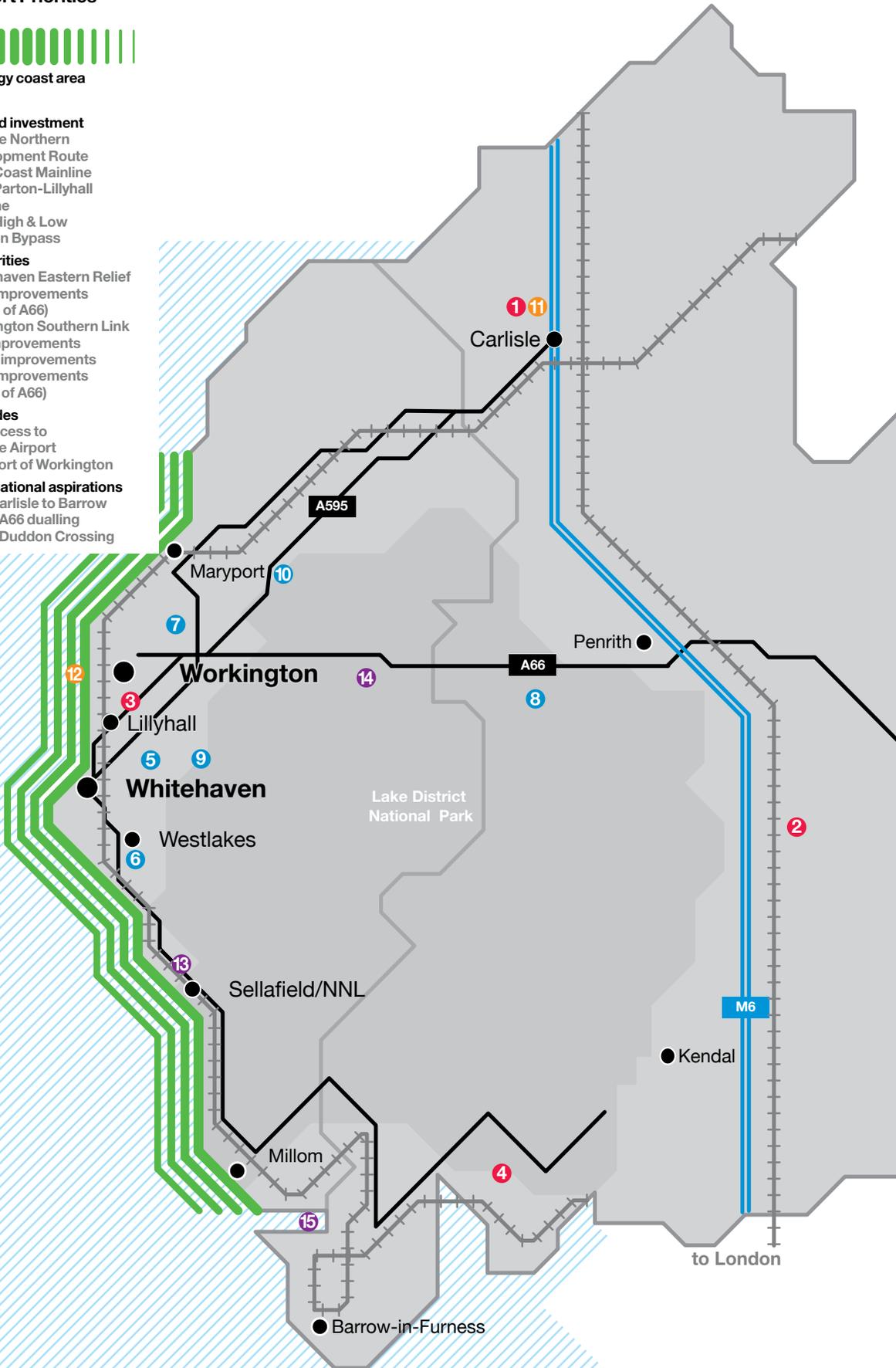
- 5 Whitehaven Eastern Relief
- 6 A595 improvements (South of A66)
- 7 Workington Southern Link
- 8 A66 improvements
- 9 A5086 improvements
- 10 A595 improvements (North of A66)

Other modes

- 11 Air: Access to Carlisle Airport
- 12 Sea: Port of Workington

Transformational aspirations

- 13 Rail: Carlisle to Barrow
- 14 Road: A66 dualling
- 15 Road: Duddon Crossing





Transport

Progress so far

Access to and from the sub-region has been improved in recent years with the upgrades to the West Coast Main Line. Further upgrades to the line will reduce journey times by train to London. In addition, the Highways Agency has started work on improving the section of the A595 between Parton and Lillyhall Industrial Estate north of Whitehaven. West Cumbria will also benefit from the A590 High and Low Newton Bypass investment of £35 million scheduled to be completed in Spring 2008 and the Carlisle Northern Relief Road which has recently been approved.

The Port of Workington has a 10 year plan and 20 year vision to develop its role.

The recently announced redevelopment of Carlisle airport following its purchase by Stobart Air should improve accessibility for West Cumbria. Current plans involve a new terminal building, improvements to the runway, expansion into air freight and distribution and the prospect of possible flights to London within 2-3 years.

Actions Required

Local partners will work with National Rail and train operators on a number of relatively minor improvements could be made to **timetable connectivity** from West Cumbria to the West Coast Mainline which would substantially reduce overall journey times.

Improvements to **air access** being taken forward by the private sector represent a significant opportunity for improving journey times to London and beyond as would air links to Manchester, Newcastle and Glasgow airports, including the potential for local airfield connectivity.

We will also support ongoing development at **Workington Port**, to support improved freight movement and over the longer term potentially deliver upgraded leisure facilities to complement the successful investments in Whitehaven and Maryport.

In the longer term, however, additional investment will be justified in a number of specific infrastructure schemes. This will involve both access to West Cumbria and, vitally, improved intra West Cumbria investments. These are directly linked to achieving further economic growth and will need to be developed through the recently established Regional Funding Allocations process and will require both Cumbria and the North West region to agree the priorities.

These include:

- **Rail** – In the longer term, station and rolling stock upgrades are needed to improve the attractiveness of the coastal railway as a commuter and tourist option. The potential to upgrade the coastal line to improve journey times and frequency of services, essential for the effective movement of nuclear materials, should also be explored.



- **Roads** – The **Whitehaven Eastern Bypass** which could significantly improve journey times between West Cumbria and the A66 and relieve local congestion. The **Workington Southern Link road** would support regeneration at Derwent Howe and improve access to and from the town and reduce heavy goods traffic in residential areas.
- Selective improvements to the **A595** and **A66** to improve the traffic flow, and journey times to and from the M6.

Commercial property and employment sites

Progress so far

West Cumbria has two large scale strategic sites both of which have benefited from substantial public investment. There remains an over supply of un-serviced or of low quality land that will not attract private sector investment and development in the short to medium term. Our strategy is therefore to focus on a small number of sites providing the combination of research, technology and business opportunities to support the energy coast cluster.

Westlakes Science and Technology Park: the premier strategic employment site in West Cumbria. Although public sector investment should no longer be required this should be a priority in planning and policy terms to enable existing investment, including from the NDA, to be capitalised on. Accessibility is a particular issue that needs to be addressed; and

Lillyhall: a central site with good transport links which is currently attracting substantial private sector interest and leading to good leverage by small amounts of public sector pump priming support.

Activity is underway to regenerate West Cumbria's towns and key attractions, including through Market Town Initiatives in Cockermouth, Egremont, Wigton and Millom. A range of action is being undertaken to regenerate West Cumbria's town centres and key attractions, which are gradually making the area a more attractive place for visitors and residents, including:

- The £35m **Workington town centre** redevelopment has achieved a step change in the retail offer within West Cumbria.
- The transformation of **Whitehaven Harbour**. From a previously under utilised commercial port, public realm and physical improvements to the harbour have created a thriving leisure location.
- **Maryport** harbour redevelopment is also in progress, and a new community and cultural centre is currently being developed.

West Cumbria employment & industrial sites

Strategic priorities

- 1 Westlakes
- 2 Lillyhall

Short-term priorities

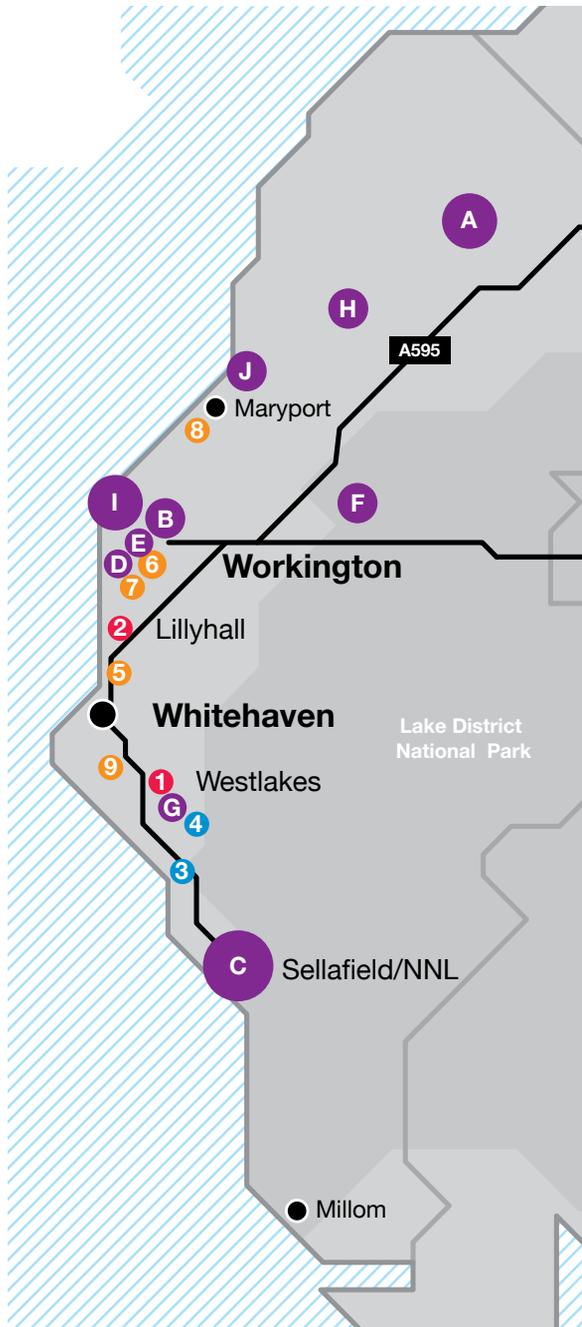
- 3 Bridge End
- 4 Leconfield

Long-term priorities

- 5 Moresby/WCP
- 6 Dock Rd, Workington
- 7 Derwent Howe
- 8 Glasson Maryport
- 9 Pow Beck

Major employers

| Major employers | Employees |
|------------------------------------------------|-----------|
| A Innovia Films Limited (Wigton) | 950 |
| B Iggesund Paperboard (Workington) | 460 |
| C British Nuclear Group (Sellafield) | 12,000 |
| D Stobarts (Workington) | 250 |
| E Pentagon Chemicals (Workington) | 200 |
| F James Walker (Cockermouth) | 400 |
| G NDA (Moor Row) | 230 |
| H Sealy Factory (Aspatria) | 400 |
| I British Cattle Movement Service (Workington) | 900 |
| J Cumbrian Seafoods (Maryport) | 400 |



Actions Required

The land and property market needs to be revitalised to increase demand, thereby encouraging investment to ensure better quality sites are available for new companies looking to locate in the sub-region and to enable existing companies to remain or expand. The current market conditions suggest that, apart from Westlakes Science and Technology Park (which needs to be classified as a strategic employment investment location in the RSS), pump priming by the public sector will still be required to help unlock private sector interest in developments within West Cumbria through gap funding from NWDA/West Lakes Renaissance or English Partnerships/Communities England.

The private sector has an important role to play in increasing the retail offer in town centres building on the successful recent investment in Workington town centre and Whitehaven harbour. The improved retail offer needs to be backed up by an improved leisure and cultural offer as well as enhanced public realm. Allerdale and Copeland local authorities will lead on improvements to public realm and town centre development through planning and design policies which will be set out in relevant Local Development Frameworks.

Short-term priority sites for further investment are **Bridge End** and **Leconfield** which have good transport links and could support employment in communities that will be effected by future job losses at Sellafield.

Longer-term investment opportunities are at **Moresby, Derwent Howe, Dock Rd Workington, Glasson Maryport** and **Pow Beck**.



Housing

West Cumbria's housing market is strong and growing, but does not offer a sufficiently balanced range of housing choice. Specifically, there is a surplus of low cost housing and shortage of executive, large family homes and also more affordable, apartment style accommodation suitable for first time buyers or those wanting to live within a town centre.

Progress so far

West Cumbria has been recognised by Government as an area experiencing low demand. The area (including Barrow) has been allocated £9 million for the period 2006-08, through the Housing Market Renewal Initiative. This investment is now starting to make an impact and prices are rising.

Actions Required

West Cumbria must continue to improve the overall quality of housing stock and increase the diversity of the product on offer. In terms of **existing homes**, quality will continue to be upgraded through **Housing Market Renewal**.

Additional investment beyond the current lifetime of the programme is essential to further improve the quality of neighbourhoods and the aspirations of residents and a prospectus is currently being developed to set out the requirements. The first phase of the programme, will include the clearance of derelict stock, modernisation and extension of terraces and the development of new homes for sale in South, East and North Whitehaven, Workington and Maryport.

The second phase, which will require a further commitment from central Government, will finish the work required in the two major towns and then target other smaller West Cumbria towns. Improved quality and diversity of housing markets will be created through refurbishment, clearance and renewal, involving selective demolition, replacement with more appropriate property types for modern household structures, creating more opportunities for home ownership and private investment and improvements to the environment and public realm.

Improving the overall housing offer must involve enabling new aspirational and executive houses to be built, helping attract new executives to the area and provide the existing population with improved quality and greater housing choice. Retaining and attracting young people is an important priority and improving housing choice is key to achieving this.

The current RSS has not taken on board the flexibility in housing allocations needed to achieve the right balance. This may well require flexibility from Government in considering "call ins". Alternatively, either an early review of the allocations or agreement to a flexible process for updating allocations should be agreed.

Improvement in the design standards for new housing which encourages a distinctive design style alongside the highest eco building standards will be fundamental to achieving this. Planning policies will be set to support this goal alongside the promotion of a 'design guide.' Private sector developers will be encouraged to examine opportunities for specific sites.

West Cumbria housing investment sites

Housing market renewal priorities

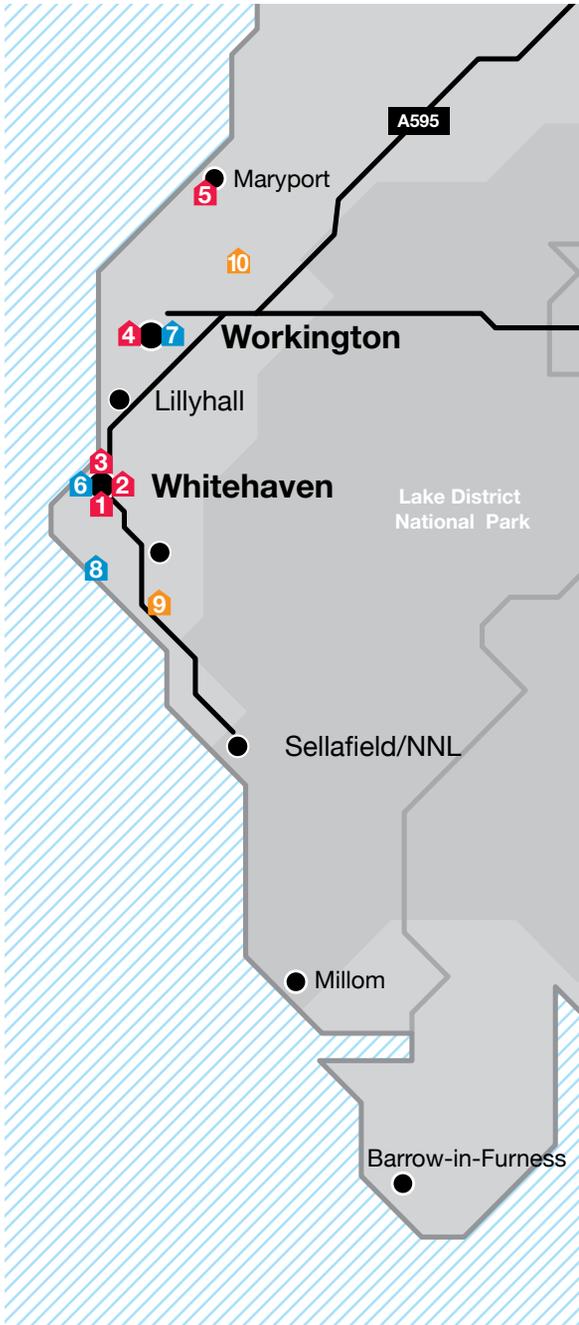
- 1 South Whitehaven
- 2 East Whitehaven
- 3 North Whitehaven
- 4 Workington
- 5 Maryport

Sites for 'aspirational' homes

- 6 Whitehaven harbour
- 7 Workington
- 8 St Bees

Sites for Executive homes

- 9 Egremont and Cleator Moor
- 10 Derwent Forest



The following sites have been identified for aspirational homes:

- **Whitehaven harbour and town centre:** the development of executive apartments near the harbour and town centre.
- **Workington:** the development of the Marina, including quality homes.
- **St Bees:** the development of mixed residential/commercial units at this coastal resort.

Provision will also need to be made for executive developments in attractive locations with good transport connections. This is particularly true of Copeland, where there is a need to provide homes for higher paid/ higher skilled employees to avoid increasing commuting times and related congestion issues.

Potential sites include:

- **Derwent Forest**, which has been identified as strategically important for tourism and requires the flexibility for housing to increase the appeal to the private investors.
- Areas of search around **Egremont and Cleator Moor**, particularly sites to the east of the A595 corridor and south of the A5086 which are outside the Lake District National Park but have good transport connections and access to existing services.



ICT Infrastructure

Supporting ICT developments in West Cumbria is crucial to both attracting new businesses and remote working. It is also essential to help integrate isolated communities as well as connect West Cumbria to the rest of the UK and beyond. Cumbria has benefited from substantial investment from NWDA through Project Access which has recently been named amongst the top five European broadband projects. Broadband coverage across Cumbria has risen from 30% in 2005 to 98% currently. In addition, Whitehaven has been selected as the first UK town to fully switch over to digital in 2007.

Quality Services

West Cumbria faces a number of key challenges with regards to the demographic profile, health, education and entrepreneurialism if the area is to have a long term sustainable community. The area needs to lessen its reliance on external factors, including investment from large, mobile, corporate investors and this dictates that a high quality of services is required right across the public sector provision. This will require the provision of quality services to support families as well as both young and old people building on the recently agreed Local Area Agreement for Cumbria, which Government has chosen as one of two North West pilots for new style LAAs.

Alongside education, which is dealt with elsewhere, the most important issue locally is the provision of health care. Poor access to services (notably hospitals) makes some parts of the area unattractive for potential residents. A new acute care facility is essential to provide existing and potential residents with the levels of healthcare comparable to that of the rest of the UK. The health of residents is already below the UK average.

Progress so far

Health services are currently centred on the West Cumberland Acute Services hospital in Whitehaven, which is outdated and requires major renewal. This hospital is supported by a network of recently upgraded community hospitals at Millom, Cockermouth, Maryport and Workington. The NDA recently committed substantial funding into the cottage hospital infrastructure.

Actions Required

The delivery of a new acute hospital within West Cumbria is considered essential to service both the needs of an ageing population and to make the area a more attractive place to live for all age groups. A new facility is required to provide existing and potential residents with the levels of healthcare equal to that received by other UK residents and to reflect the contribution that West Cumbria's community makes to the UK's Nuclear Waste policy. The delivery of a new hospital will need support from the Strategic Health Authority, the Cumbria PCT and central government.¹

A health-campus delivered as a joint venture between academia and the NHS would help secure an acute services hospital in West Cumbria and provide a medical research and development facility to experiment with new treatments. The campus would be linked to expertise in nuclear and related areas, including radiation, epidemiology, nanotechnology and toxicology, based on Government policy that NHS and education providers should engage with wider industry and communities in the resolution of problems and policy changes in healthcare provision.

¹ The cost of £300 million is estimated on the basis of costs of new hospitals which range from £150m to £300m. The exact cost depends on the services available and the number of beds provided.



Whitehaven Harbour

Summary priorities – Connectivity and infrastructure

Transport

| Action | Lead | Cost | Priority |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------|
| Timetable connectivity improvements from West Cumbria to West Coast Mainline to reduce journey times | Network Rail and operators | No capital or revenue investment required | 0-5 years |
| Continue port and marina developments at Workington, Whitehaven and Maryport | Local Authorities, WLR | £30m, private sector and existing LA and WLR funding | 0-10 years |
| Explore improvements in air access | Private Sector Local Authorities | Not known – will be private sector lead | 5-10 years |
| Improvement in rolling stock, station and other railway infrastructure to improve West Coast line | Network Rail and operators | £135m – new funding | 5-20 years |
| Long term programme of strategic road improvements | DFT, Highways Agency, Local Authorities, NWDA, Cumbria Vision | £320m outside existing RFA process and subject to future prioritisation. £30m immediate additional investment in A66 | 5-20 years |

Summary priorities – Connectivity and infrastructure continued

Commercial Property, Employment and Housing

| Action | Lead | Cost | Priority |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------------------------------------|-------------|
| Continue support for Housing Market Renewal beyond existing programme | CLG and WLR | £40m – new resource (from total programme of £80m) | 0-5 years |
| Provide planning guidance on design quality | Local Authorities | Existing resources | 0-5 years |
| Include housing sites in local development plans and controls | Local Authorities | Existing resources | 0-5 years |
| Continue to encourage Broadband use by businesses | Business Link Enterprise Agencies | Existing resources | 0-5 years |
| Develop strategic sites, through investment and development control/planning guidelines | WLR and private sector Local Authorities | £30m existing WLR funding and CLG and £90m English Partnerships gap funding | 0-10 years |
| Programme of public realm investment in West Cumbrian towns | Local Authorities WLR | £80m through existing resources, PPP and gap funding | 0-10 years |
| To make best use of the new powers proposed in the planning white paper, to revise the RSS when required to be consistent with necessary strategic changes within the West Cumbria Masterplan determined by the changes in the UK Energy agenda. | Local Authorities | Nil | As required |

Quality services

| Action | Lead | Cost | Priority |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|------------|
| Delivery of a new acute services hospital and health campus/ research and teaching facilities integrated with new hospital and linked to nuclear sector | Cumbria PCT NHS | Circa £310m – new resource | 5-10 years |
| Continue development of cultural, sporting and leisure facilities | Local Authorities Private Sector | £50m Prioritisation of existing resources | 0-10 years |

8 / Outcomes



Engineering training

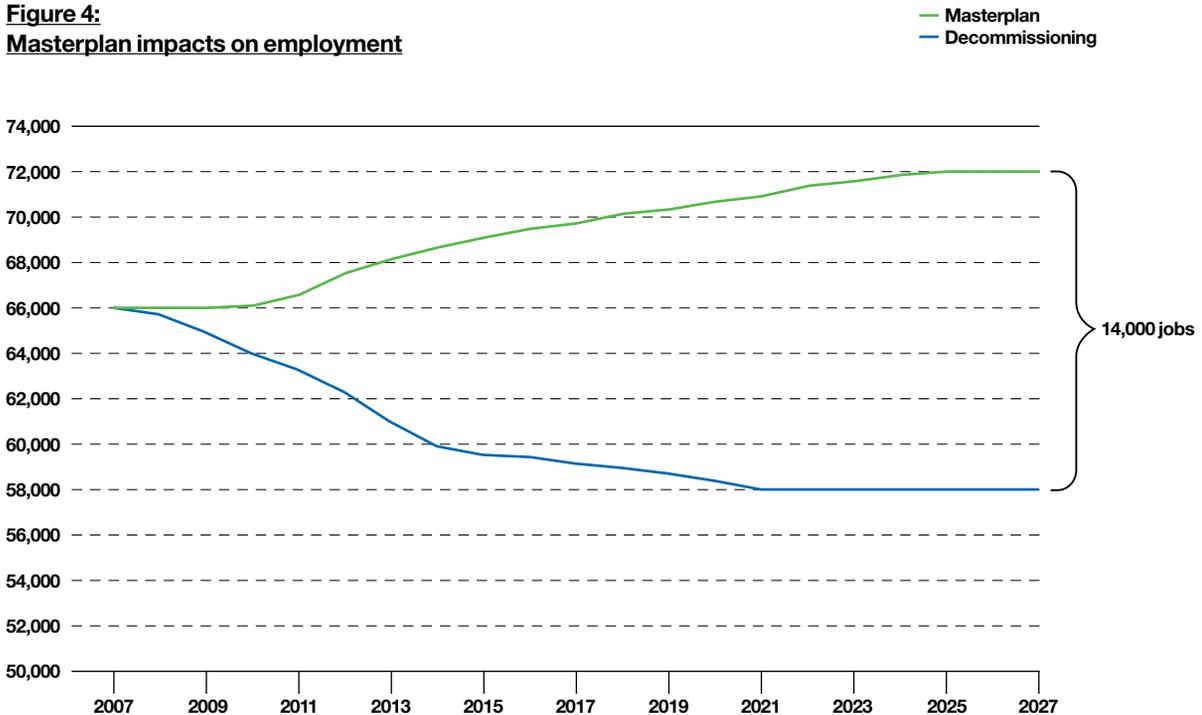
Financial implications

The total public and private sector investment through masterplan interventions over 20 years is estimated to be around £1.7 billion. Funding sources will include realigning existing budgets and activities (locally, regionally and nationally), some new public sector investment (including delivering in partnership with others), and leveraging private sector investment.

Economic benefits

The delivery of the Masterplan will underpin a fundamental turnaround in the future prospects of West Cumbria. Instead of facing falling employment, the economy should be able to look forward to increasing job levels in the sub-region. The impact of the plan on new jobs which assumes continuation of reprocessing at Sellafield and progress on new nuclear build is summarised in the chart below.

Figure 4:
Masterplan impacts on employment



These employment benefits will flow through to GVA benefits as outlined below:

Masterplan impacts

| Action | Jobs (FTEs) 2027 | GVA £million 2027 |
|----------------------------------------|------------------|-------------------|
| Economic drivers | | |
| Business & Enterprise | 7,000 | 400 |
| Skills & Research | 4,500 | 240 |
| Connectivity and infrastructure | | |
| Quality services and facilities* | 2,500 | 80 |
| Transport | 1,000 | 40 |
| Land and property | 1,000 | 40 |
| Total | 16,000 | 800 |

Source: Grant Thornton estimates based on Experian modelling
 Note: * including 2,000 safeguarded jobs

Many of these jobs will be in high value and knowledge intensive industries, adding to the productivity of West Cumbria, the North West and the rest of the UK.

Do nothing scenario

The number of employees employed by Sellafield is expected to fall by about 8,000 over the next 20 years. In addition, around £200-£250 million of direct expenditure on local suppliers and a further £300 million of employee spending will be lost each year. The impact of the job losses will be mitigated by the fact that much of the decline in employment may well, be accommodated via retirements and natural staff turnover. The current average age of the Sellafield workforce is 42 years with an average service length of 15 years, making this a realistic suggestion. But whilst there may be fewer forced redundancies, the effect on economic activity and the loss of spending power will not be ameliorated. Fewer future employment opportunities will likely exacerbate the current trend of young people leaving and not returning to the area.

Our economic analysis suggests that without ongoing change, building on actions already underway, the economy will start to decline in 2010 and that by 2027 annual GVA would have reduced by £400 million, with a £150 million annual reduction in West Cumbria's contribution to the Exchequer. This equates to a net loss to the UK of £3.8 billion GVA and £1.4 billion in Exchequer receipts over a 20 year period. Whilst some economic activity may be displaced as people move to other parts of the UK, there is a significant risk that most would be lost to the UK as skills, technology and investment in nuclear and related business transfers abroad, most notably to France and the US.

Without action there will also be significant social impacts to West Cumbria. A number of studies, including those conducted by the NHS, have found a link between unemployment and poor health, including a lower life expectancy. Under a do nothing scenario, there would be a considerable rise in the level of deprivation and ill health which would require considerable public sector intervention. Delivering this masterplan will underpin a proactive approach to avoiding such a scenario.

9 / Delivery and costs



Solway Firth

The West Cumbria Strategic Forum has enabled the key national, regional and local stakeholders to come together and to agree this Masterplan over the last year. This has involved strong prioritisation by delivery bodies in West Cumbria and the wider North West and tough choices based on clear evidence. The Masterplan forms a vital part of the wider economic development plan for Cumbria and is consistent with the RES. There is strong commitment from all stakeholders to ensuring it is delivered successfully. The majority of the responsibility rests with the local and regional partners who will target their resources and structures around delivery of actions and programmes on which they have agreed to lead as set out in this summary. This will involve even closer partnership working. Much of the responsibility to co-ordinate delivery will fall to West Lakes Renaissance.

The total integrated package of public and private sector investment through masterplan interventions over 20 years is estimated to be just over £1.7 billion. Funding sources will include realigning existing budgets and activities (locally, regionally and nationally), new public sector investment (including delivering in partnership with others), and leveraging private sector investment.

West Cumbria's Energy Coast presents a major opportunity for Government to help deliver critical elements of future energy policy and, as a result, Government needs to demonstrate its commitment to the area. The table below sets out in more detail the main support required of Government. This money is not required immediately – some is already in the pipeline and other elements require a commitment for accelerated funding from within existing programmes to enable projects to be brought forward. Most of the projects require funding over a 10 year period rather than substantial up front funding.

Outline costs and Government funding sought on priority projects

| | Total costs | HMG contribution | Timeframe |
|--------------------------------------------------------------------------|--------------------|-------------------------|------------------------------------------|
| National Nuclear Laboratory * DTI | £180m | £180m | Immediately |
| New Schools/Building Better Schools for the future ** Cumbria CC/DfES | £205m | £205m | Over 10 years from 2011 |
| New Acute Services Hospital DoH | £310m | £90m | Commencing 2011 and spread over 20 years |
| Housing Market Renewal DCLG | £80m | £40m | Commencing 2009 |
| Gap Funding Communities England/DCLG | £120m | £90m | Immediately and over 10 year period |
| Selective dualling/ improvement of A66 *** Highways Agency/DfT | £30m | £30m | Commencing 2011 |
| Total | £745m | £455m | |

* Liability incurred by NDA once Technology Centre goes live not new investment required

** Securing earlier funding for West Cumbria than previously anticipated, but not new resource

*** Will need to be subject to special consideration in context of Regional Funding Allocation process

Appendix

Ordnance Survey map of Cumbria





cumbriavision

