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Funding  
Opportunities

## SECTION 15 - FUNDING OPPORTUNITIES

### 15.1

To enable the regeneration proposals for the canal corridor to proceed, significant capital and revenue resources will need to be identified. To achieve the changes being proposed it is likely that funding will be required from a variety of sources depending on the nature of the individual projects. Potential funding opportunities have been identified which include a mixture of public and private sector sources. The majority of public funding programmes will require match funding. Ideally this should be from private sector sources, however in some cases where clear separate outputs can be attributed to each funding stream it may be possible to match one public sector source with another.

The main potential sources of funding are as follows:

### 15.2 Loans and Venture Capital Funds

Cumbria Capital Fund For existing businesses in Barrow, Carlisle, Eden and South Lakeland

Furness Challenge Loan Fund For start up and existing businesses with up to 50 employees within the Ulverston (LA12) area.

Small Firms Loan Guarantee Scheme For businesses employing 200 people or less (either trading or about to start in the near future)

### 15.3 North West Regional Development Agency

As part of their Regional Economic Strategy the North West Rural Development Agency and the Countryside Agency are supporting the regeneration of market towns across the region including Ulverston.

Market Towns act as service centres for surrounding rural areas, they may have the potential for growth but are also vulnerable to decline. Within each town, partnerships are actively involving the local community in identifying the issues most important to them and setting out a programme for action. Part of this process is the preparation of this masterplan. It is reasonable to assume that the NWDA will continue to support Market Towns with funding provided to appropriate projects identified by the Partnership.

The Selective Finance Initiative SFI is the main capital grant scheme operating in the Furness Area, it is a discretionary grant scheme administered by the DTI and NWDA.

The criteria to be met by SFI projects include:

- Projects must fit in with NW Development Agency's regional sector priorities, as set out in the North West Regional economic strategy (see below)
- Both the local and UK economies must benefit tangibly for example, by the introduction of new technologies, import substitution, export increase or similar benefits.
- The project must be commercially viable and show additionality.
- There must be a demonstrable need for assistance to allow the project to go ahead at all, or at the desired speed and scale, in the Barrow in Furness Assisted Area.
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Proposals for Canal Head, which seek to provide an improved infrastructure for the retention of existing business and the creation of serviced land and premises for the attraction of new businesses are all activities appear to meet the criteria for SFI including the Regional Economic Strategy (RES).

Proposals for sites A and B and the development of the serviced technology park at site E appear

to meet the following Key Activities of the RES

### 2) Improve the competitiveness and productivity of business

2.7) Encourage manufacturing businesses to adopt continuing improvement measures, access regional and national sources of expertise and good practice to improve product development and productivity.

2.8) Ensure businesses have access to environmental advice and support linked to reducing business overheads, e.g. through waste minimization recycling measures.

### 5) Deliver rural renaissance

5.1) Implement the Regional Rural Recovery Plan through County Action Plans for Cumbria, Lancashire and Cheshire.

5.5) Develop action plans for selected market towns and commence implementation.

### 6) Secure economic inclusion

6.2) Develop social enterprises, including community businesses.

6.3) Encourage the public and private sector to employ people from disadvantaged communities and groups, through positive action programmes and other measures, and promote the benefits to employers of equality and diversity in the workforce.

## 9) Ensure the availability of a balanced portfolio of employment sites

- 9.2) Secure a complementary portfolio of sub-regional and local employment sites.

### 15.4 European Regional Development Fund

#### Objective 2 (transitional)

Projects in Ulverston may be eligible for European Regional Development Fund however this is only available until the end of 2006. Projects which can be shown to meet one or other of the following three objectives and can be progressed quickly may be eligible :

- To contribute to the creation of a 21st century economy through the development of new and high growth employment sectors as well as supporting the competitiveness of existing businesses, where the key features are enterprise and knowledge
- To empower and enable people of all ages, races and gender to access income and employment opportunities that reflect their aspirations and circumstances
- To address the environmental legacy of the past through supporting opportunity led investment that creates new income and employment opportunities while restoring or maintaining the environment and heritage assets of the region

Although the North West Objective 2 Programme has been allocated substantial sums, achieving these objectives requires that funds are deployed in discrete areas which maximise economic, social and environmental impacts. A strategy based upon three Priorities of Business and Ideas, People and Communities, and Strategic Regional Investment have been devised to address the range of competitiveness

and regeneration issues identified in the review of current conditions in the North West.

- The first Priority, Business and Ideas, seeks to improve the competitiveness of the existing business, through exploiting existing sectoral strengths as well as maximising the opportunities afforded by developments such as the Information Society as well as the academic and research base in the Region
- Priority 2, People and Communities, seeks to target resources on the most disadvantaged communities in the North West, in order to address the multifaceted problems of economic and social exclusion
- The third Priority, Strategic Regional Investment, aims to generate substantial new employment opportunities through the development of key business, heritage and cultural locations

Within the three Priorities, the Objective 2 Strategy also identifies three cross-cutting themes of Equal Opportunities, The Information Society and Sustainable Development. The integration of these themes into project design and implementation will help to ensure that the objectives achieve a reduction in gender disparities, maximising the potential of ICT, and promote growth which is economically, socially and environmentally durable.

The Canal Head proposals particularly for sites A and B and Site E all have a good fit with the Objective 2 priorities particularly Priority 3 and its reference to new employment opportunities in key heritage and cultural locations. The employment and training opportunities identified in the proposals for Phase 1 also appear to meet the Priority 2 and a strong case can be made which demonstrates the support for the cross-cutting themes.

### 15.5 Heritage Lottery Fund

The Heritage Lottery Fund provides a number of potential sources of funding that could be applied to the Ulverston Canal Corridor these include

#### Townscape Heritage Initiative (£250,000 to £2 million)

Through the Townscape Heritage Initiative, grants are available that help communities to regenerate the historic parts of their towns and cities.

The programme is designed to address problems in areas of particular social and economic need throughout the United Kingdom. It encourages partnerships to carry out repairs and other works to a number of different historic properties within those areas, and improve the quality of life for all those who live, work or visit there.

This fund may be appropriate to help support the Canal Head proposals which appear to offer a good fit with the overall objectives of the Townscape Heritage Initiative fund.

#### Landscape Partnerships (£250,000 to £2 million)

This initiative allows partnerships representing a range of heritage and community interests to tackle the needs of landscapes, whose various elements may be in different ownership.

It caters for applications based round a portfolio of projects, which combine to provide a varied package of benefits to an area, its communities which live, work and visit there.

The initiative will mainly help to promote heritage conservation as an integral part of rural regeneration.

Proposals to maintain the unique canal side environment which require significant capital investment may attract support from the Landscapes Partnerships.

### 15.6 Local Housing Associations

There is a desire to include within the Canal Head Corridor an element of social/low cost housing and local housing associations may be able to support these proposals.

### 15.7 Private Sector

Private sector funding is likely to be realised when business see realistic opportunities to improve their operating conditions. There are potential opportunities for business to realise an asset (the sale of land and or buildings) to finance a move to a more appropriate site. In some cases such moves may be supported by private financial institutions. However, there may be a case for intervention by the local authority to prepare a site and then lease or sell land or premises to businesses to facilitate

movement within the area.

### 15.8 Revenue Funding Issues

The funding outlined above concentrates on the sources of capital funding to realise the proposals contained in the masterplan it is apparent however, that there is a significant revenue issue to be addressed in order that some of the capital projects can proceed. In particular it is evident that the realisation of land and property values for housing will, to a significant extent, rely on the maintenance and enhancement of the waterside environment. It is estimated that the annual cost of planned and reactive maintenance of the canal is approximately £35,000 per annum.

In addition it is understood that there may be a significant major capital investment required in

the canal. The Heritage Lottery Fund may be the most appropriate body to assist in the funding of the capital works. In terms of ongoing annual maintenance this could be financed either through utilising income from other sources such as pay and display car parking but is unlikely to realise the levels of funding required. An alternative would be to commute a capital sum raised through land and property sales into a maintenance fund, which could be managed by the Development Partnership.

The following table sets out for illustrative purposes the level of capital investment required to fund maintenance at £35,000 per annum for 25 years assuming an annual inflation rate of 2.5% and an investment return of 4% per annum.

Year	Financial Year	Canal Maintenance + 2.5% inflation	Investment Required to provide 25 year maintenance fund	Investment fund 2.5% inflation and 4% investment return
1	2005/06	£35,000	£ 524,578 + first years maintenance @ £35,000	£0
2	2006/07	£35,875		£545,561
3	2007/08	£36,772		£567,383
4	2008/09	£37,691		£590,079
5	2009/10	£38,633		£613,682
6	2010/11	£39,599		£638,229
7	2011/12	£40,589		£663,758
8	2012/13	£41,604		£647,041
9	2013/14	£42,644		£628,572
10	2014/15	£43,710		£608,257
11	2015/16	£44,803		£585,992
12	2016/17	£45,923		£561,672
13	2017/18	£47,071		£535,184
14	2018/19	£48,248		£506,414
15	2019/20	£49,454		£475,238
16	2020/21	£50,690		£441,530
17	2021/22	£51,958		£405,155
18	2022/23	£53,257		£365,974
19	2023/24	£54,588		£323,842
20	2024/25	£55,953		£278,604
21	2025/26	£57,352		£230,103
22	2026/27	£58,785		£178,170
23	2027/28	£60,255		£122,632
24	2028/29	£61,761		£63,305
25	2029/30	£63,305		£0

### 15.9 Other Revenue Funding Issues

It is likely that if the masterplan is to be realised a dedicated project officer will need to be appointed to drive forward its implementation. The Rural Regeneration Company (RRC) have suggested that they may be able to support this appointment and it is recommended that further discussions are held with the RRC, NWDA and South Lakeland District Council.

### 15.10 Future Funding Issues

The most obvious future funding issue relates to the long-term future of GSK in Ulverston. If Glaxo were to substantially reduce or indeed close its operation in Ulverston, it is likely that substantial public sector funding would be forthcoming to assist in attracting alternative employment opportunities.

### 15.11 Auction Mart Feasibility Study

The Auction Mart Company, being a major land holder within the study area, has been represented on the Steering Group. In addition, a number of individual meetings have taken place with the company to discuss their aspirations and options for the development of their land. Discussions took place regarding their possible relocation to another site and a visit to a modern agricultural business centre at Bakewell was arranged for representatives from the company and Partnership members. The

consultancy Project Team was also represented on that visit. The company concluded that they would not contemplate a move from their present site unless a new site was already in place. The board would also need to be satisfied that a move was in the best economic interest of the company and its shareholders.

In discussions with the company it was suggested, however, that a feasibility study might be undertaken to explore opportunities for the company's future. The consultants have had discussions with Rural Regeneration

Cumbria (RRC), who would be prepared to assist the company in drawing up a brief for a feasibility study to consider the company's future direction. Investigations regarding the funding for such a study have taken place and a productive meeting was held with DEFRA, who may be able to contribute up to about £25,000 to the study, from the Rural Enterprise Scheme. A new fund – Cumbria Rural Services Infrastructure Programme (CRISP) may also be able to assist. Details of these funds have been made available to the Partnership by the consultants.