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Salthouse Mills



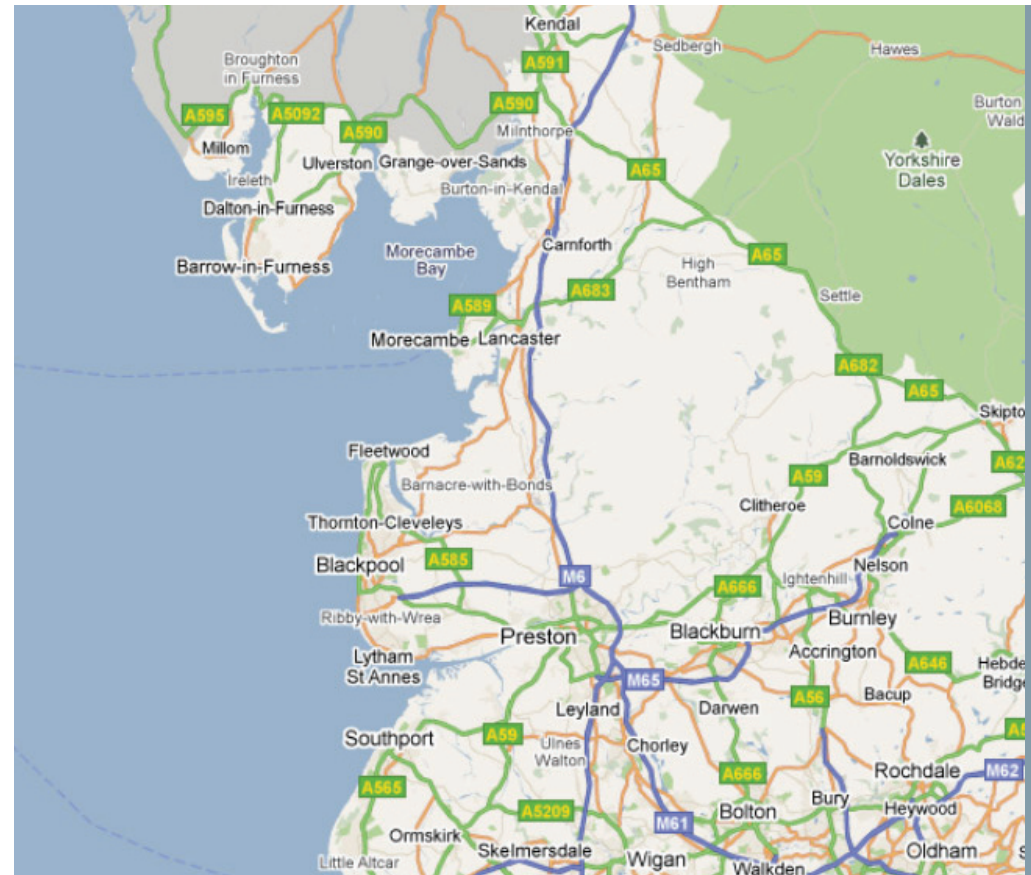
# Why Barrow?

Barrow-in-Furness is an industrial town and a seaport, situated at the southern end of the Furness Peninsula, which juts out into the Irish Sea with Morecambe Bay to the southeast. It is part of Cumbria. Windermere and the Lake District are only a 20 minute drive away and the Cumbrian Fells form the backdrop to the town from the seaward side.

Most people would have difficulty in placing Barrow-in-Furness on a map.

A few years ago the image conscious local authority for Barrow commissioned a PR company to find out what people's perceptions were about the town. Outside a 20 mile radius, over 80% didn't have a perception at all, positive or negative. Of the minority who did, some knew Barrow had an association with shipbuilding, but almost all of these prefixed the town's principal industry with the adjective 'declining'.

The reality is the BAE owned Shipyard, which builds nuclear submarines, is doing rather well, and the town has been enjoying something of a renaissance. Far from being in decline, the Yard, which currently employs over 5000 workers (about 1 in 5 of the total workforce of the town) is actively recruiting skilled engineers for the Astute submarine programme. Some people may think the future of Britain's nuclear deterrent is in suspense, but last year's Comprehensive Spending Review actually brought forward the seventh Astute boat (No. 1 is currently undergoing sea trials; Nos. 2 and 3 are under construction), and the Yard has sufficient work to take it successfully into the 2020's.





When the Successor/Trident programme is confirmed (and only the Liberal Democrats seem opposed to this), the BAE Shipyard will have contracts extending into the 2040's. Not many industries would be able plan ahead on that basis. The design and pre-production costs for the next generation of nuclear submarines –the most advanced engineering concept in the world- have recently been approved by MoD.

This work is taking place right now, in Barrow, and as well as providing security to the existing workforce, the Government's May 2011 commitment will create over 200 new, skilled jobs within BAE.

As well as shipbuilding and the BAE supply-chain, the area has a multitude of other engineering-based industries. The second largest employer after BAE is Kimberly-Clark, which makes paper products including most of the UK's paper towels and toilet rolls.

Robert McBride makes detergents and dishwasher products for a European market. Partylite, the largest manufacturer of candles in the world, has its European factory at the entrance to Barrow. The area is home to a cluster of international LED manufacturers, including Forge Europa, Marl and Oxley which makes the night sights for US fighters and the lights for Pendolino trains among other things.

And Barrow has become the hub for the offshore wind industry in the Irish Sea. The Barrow Offshore Windfarm, then the biggest in the country was completed four years ago. Walney Phase One and Ormonde are currently under construction, and there are further plans to extend capacity from the Irish Sea by 4,200MW. Investment by international companies such as Dong (Denmark), Siemens (Germany) Iberdrola (Spain) and Scottish Power is creating many new jobs in assembling and servicing the wind farms off the Cumbrian shore.

Morecambe Bay gas also comes ashore at Barrow and there are plans to build massive new undersea gas storage facilities representing £3b of new investment, which will increase the UK's total capacity by over a third. Barrow Port is booming and is currently seeing more investment and activity than at any time since the Second World War. With over 100 local companies now engaged in the energy industry - renewables, gas, oil exploration and nuclear, this really is the business end of Britains Energy Coast™ which runs from Morecambe Bay up to Sellafield and beyond to the Solway Firth.

The local Furness College is responding to new challenges by providing degree courses in engineering as well as NVQs across a wide range of subjects. It is also laying on new courses for the burgeoning wind energy and gas sectors. The College is currently undergoing a £41m re-build programme to make it one of the best in the region. Secondary education is also seeing a renaissance through the creation of the new Furness Academy, and there has also been recent investment in the local primary schools. The education offer at all levels has seen substantial improvement. Loss of young people and young talent used to be a problem in the area, but pre-Census data shows the proportion of 18-30 year olds in Barrow has actually been increasing in the last three years.

The upshot of all this is that Barrow-in-Furness is a thriving industrial town, with a skilled workforce, a strong engineering tradition, and a developing entrepreneurial culture. Despite the recession, Barrow's high end engineering and energy-related industries are doing very well.

And their future looks bright.

Unemployment as defined by the proportion of JSA claimants stands at 3.6%. This is slightly below the national average, 0.5% below the northwest average -and is falling. The number of ESA

(Employment and Support Allowance –formerly Incapacity Benefit) claimants stands at 10.7% of the total potential workforce, which is high compared with a UK average of 6.7%. However, this is also the case for most manufacturing towns that have undergone recent change. The level of worklessness has been reducing in Barrow as a result of the efforts of the local enterprise agency, Furness Enterprise -which has won national awards for its work in this field. It will reduce further with the government's new Work Programme and as the local economy continues to expand.





Perhaps the most telling testimony to the resurgence of the town was the recent survey carried out by Ekosgen, which looked at economic resilience. Barrow was Top Improver in the whole of the North West region for Economic Dynamism and Enterprise and second Top Improver overall.

Barrow also has the land for future industrial investment with the creation of the new 200 acre Waterfront Business Park adjacent to the Port. The wind energy companies are setting up here because of all the locational advantages, including a new road access which avoids the town centre and connects straight to the motorway system via the upgraded A590. But there is room for further growth, particularly for new and expanding businesses as the recession comes to an end. Plans for a new Marina and Marina Village will also come forward as regeneration funding comes on stream again.

The area's unique appeal also includes the natural environment. It is the place where the Lakes meet the Sea, a fantastic coastline with sandy beaches, opportunities for watersports, including windsurfing and yachting, three SSSIs, two nature reserves on nearby Walney Island, Piel Island with its Norman castle and its own 'King', plus an internationally acclaimed animal park at Dalton and the magical setting for nearby Furness Abbey in the Valley of the Deadly Nightshade celebrated by Wordsworth. Because the town is adjacent to the Lake District National Park, it benefits from tourism with an estimated 1.9 million visits a year. Barrow's popular indoor market and shopping centre were recently upgraded through a £4m public realm scheme. The town centre also has good quality facilities, a fairly strong commercial property sector and thriving creative industries including, new media, films, theatre, dance and Art Gene on Abbey Road.

Nevertheless, essentially Barrow is a northern industrial town, with a strong local economy, a lot of character and a proud tradition. It doesn't aspire to be Preston, Liverpool or Manchester. Barrow is Barrow.

The downside is the housing. The Barrow Housing Market Assessment identified the following weaknesses in the local housing market:

- outdated stock that does not meet current lifestyles and future aspirations (half the houses are pre-1919 –mostly in terraces) ;
- lack of choice;
- lack of semi detached family accommodation with parking and gardens within desirable locations;
- and relatively low house prices.

The provision of suitable housing has simply not moved at the same pace as the regeneration of the town and its underlying economy. As a result, Barrow's skewed housing market is unable to meet local demand for aspirant families wanting to move out of terraced accommodation into more suitable family homes, from middle managers wishing to live in the town or for Barrow's emerging middle class. This has been well documented by studies carried out for West Lakes Renaissance URC/Barrow Regeneration (see index of sources below) which until 2011 ran and funded a Housing Market Renewal (HMR) programme in Furness/West Cumbria whose purpose was to acquire obsolete and often vacant terraced housing in order to market the sites for more suitable family homes.

In their work to appraise the HMR programme, in 2009 consultants Inner City Solutions reported very strong demand in Barrow for £200k plus properties –not just for owner occupation but also for renting. BAE and the energy companies investing in Barrow have generated a strong market for better quality homes for their

engineers and other professionals. Most want to own, but there is also demand for good quality rented accommodation from Royal Navy/MoD personnel and offshore engineering workers particularly.

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The unmet demand for good quality, particularly 3-bed houses in Barrow is substantiated by local estate agents and by local employers. Over 50% of BAE's senior and middle managers live outside the town, mainly in South Lakeland, which is a pressurised housing market. They do not necessarily locate there by choice –the housing they require is simply not available in Barrow itself. In fact BAE cite the lack of suitable family housing in the town as one of the principal reasons they have difficulty recruiting skilled engineers. Other local employers, including Kimberly Clark and Robert McBride have made the same point.

Changes in local house prices bear out the point about where the gaps are in the local housing market. Statistics prepared by the Local Authority for a Housing Strategy Consultation Group –comprising mainly local estate agents, builders and developers, showed that average house prices in Barrow have fallen 1.84% since the high in Q4 2007. Terraced properties have seen a fall of 9.1%. However, better quality detached properties were the only group to show an increase, in this case of 3.27%. In two of the most popular wards, Hawcoat and Newbarns, despite house values being quite low in Barrow, recent transactions in Quarter 4 2010 show an average purchase price approaching £200k. Developments immediately adjacent to the proposed Salthouse

Mills scheme, at Rating Lane and at Holbeck Rise, are realising sale prices of well over £200k for 3 and 4- bed homes.

Data collected by Amion Consulting and Gerald Eve for the former Barrow Regeneration URC on housing demand, based on Regional Spatial Strategy estimates, demographic and other forecasts, showed a growing demand to 2026 in Barrow of 3,155 households and a requirement of 3,355 dwellings (+10.2%), the latter being mainly for new family homes. This equates to an estimated 180-200 new dwellings per annum. These projections are supported by Barrow Borough Council and the Cumbria Housing Market Assessment. Though prepared for the Marina Village development, they hold good for other proposed developments in the town.

Apart from Marina Village (625 units) and Salthouse Mills (225 homes), Barrow does not have any other suitable large sites within the town to meet fully the town's demand for new family homes. Smaller sites as they become available tend to get snapped up and developed by local builders –showing that despite overall housing market conditions, demand for family housing remains strong. The gap between demand and supply -as shown by outstanding planning permissions (715 currently considered deliverable) and units yet to receive planning permission on allocated sites (1088) - is very considerable. It is almost 50%.

To sum up: the local economy of Barrow-in-Furness is strong, the town is vibrant and the future looks good. In order to complete the overall picture, Barrow needs family housing in sufficient numbers and of the right quality to support its continuing regeneration and resurgence.

The demand is there. The context is right. That's Why Barrow.

**Bob Pointing**  
**June 2011**

Rob Cairns, Chief Executive of Furness Building Society puts it this way:

‘Barrow is a great place to live, but people don’t always appreciate this until they come here. Then they tend to stay –just like I have, although I only moved from Carlisle.

Furness Building Society is a local mutual founded in 1865. We provide over 25% of the mortgages in Barrow, and we find there is a very strong market for family homes of good quality. Developers are able to sell suitable new homes for over £200k, and we would in principle be very happy to provide future mortgages for waterside developments that offer good value and meet current housing demand in the town.’

#### Sources

*Marketing of Barrow-in-Furness – Cicero 2006*  
*Barrow Local Development Framework – Barrow Borough Council 2009*  
*House Prices Report – Barrow Borough Council March 2011*  
*Barrow Marina Village Housing Demand Assessment – Amion Consulting/Gerald Eve 2010*  
*Discover Barrow in Furness – Furness Enterprise 2010*  
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*Barrow Housing Market Assessment – Barrow Borough Council 2010*  
*Cumbria Housing Market Assessment – Cumbria Vision 2009*  
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