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**SOUTH WEST SHROPSHIRE  
LOCAL REGENERATION COMPANY**

**FEASIBILITY STUDY**

**A REPORT BY: WM ENTERPRISE CONSULTANTS**

# FEASIBILITY STUDY

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## **1. INTRODUCTION**

WM Enterprise has been commissioned to examine the feasibility of creating a Local Regeneration Company for South West Shropshire in order to co-ordinate and rationalise the delivery of regeneration, cultural and sporting activities locally and to place these under local ownership and management. However given the possibility of Shropshire seeking unitary status, the study has been set in the broader policy context expounded by the government whereby unitary authority status is combined with a devolution of service management and delivery, where appropriate, to a local level. Hence while the study is concerned with South West Shropshire, it clearly raises issues relevant to the devolution of powers to local communities elsewhere in the county.

The study focuses upon Bishop's Castle and the surrounding parishes. Within South West Shropshire there are currently three bodies providing economic regeneration, cultural and leisure services, all of which are in receipt of public funding from Shropshire County Council, South Shropshire District Council or both. Other monies are provided, where appropriate, from Shropshire LSC and from specific regeneration programmes funded by Advantage West Midlands. The three organisations are:

- Bishop's Castle and District Lifeline Company Limited, trading as Enterprise South West Shropshire
- The Community Operation at the Community College
- SpArC

Enterprise South West Shropshire runs Enterprise House in Station Street, Bishop's Castle. It provides IT training and access to IT facilities, general business consultancy and small business units. It also obtains income from Bishop's Castle library, which is housed in the building. It operates Village Outreach, whereby staff and equipment are loaned out to village halls for plays and other events. In the past it has been used as the delivery vehicle for regeneration programmes locally such as the Market Towns Initiative, the Six Towns Branding Project and the Country Pubs project. It is supported by earned income and grant aid from the County Council.

The Community Operation provides a range of education and leisure activities. This includes classes on drawing and painting, a writers' workshop, an introduction to computers and training for work in such areas as first aid and food and hygiene. Activity days and a Family Learning Weekend are also organised encompassing bread making, arts and crafts, woodcraft, web design and playground games such as hopscotch, skipping and tag. Courses are now expected to be self-funding but for other activities a grant is provided from Shropshire County Council via Enterprise South West Shropshire.

SpArC is the new sports and leisure centre for South West Shropshire. It is adjacent to the Community College and provides a wide range of sports facilities including a swimming pool, sports hall, squash courts, badminton courts, theatre and a fitness suite. It is largely used by the schools in the day, with some public access. Public use is mostly confined to weekday evenings and Saturday and Sunday mornings. The centre also has a well-equipped theatre although at present there is limited public use of this facility. Shropshire County Council funds the building costs for school use by the local primary schools as well as the Community College, while South Shropshire District Council funds the community use of the facility.

At present there is no coordination of strategy and activity between the three organisations despite there being only two core funders and varying degrees of local control over activities provided and access to facilities.

The concept of a local regeneration company is that it would own and/or manage all of the facilities in Bishop's Castle with priorities being set by organisations representing the residents of South West Shropshire and other key players such as the local authorities and the Community College. Moreover given the government's proposals for the devolution of

services to a local level in unitary authority areas, it may be that the company could provide a wider range of local services on contract to the county council.

## 2. METHODOLOGY EMPLOYED IN THE STUDY

In order to explore the feasibility of creating a local regeneration company the following methodology was employed:

- Review of the policy context for the proposals nationally and locally
- Interviews with key stakeholders
- Review of the financial performance of the three bodies and production of financial forecasts encompassing all three, together with an outline business plan for the new company
- Conclusions and Recommendations

### Policy Context

There are national and local policy contexts into which this study needs to fit in order to permit proposals to be seen in a broader context than simply Bishop's Castle and its hinterland.

### National Context

In the Queen's speech the government announced that there would be legislation introduced to enable local authorities in areas with a two tier local government system to propose a move to a single tier, while at the same time giving greater control over service provision to local communities. The subsequent white paper (October 2006) and bill (tabled in December 2006) and the invitation to councils to make proposals states that local people should be consulted and involved in running services and that "there will be measures to promote increased community ownership and management of local facilities and assets". It is also stated that authorities wishing to move to a unitary structure should ensure that proposals "enhance strategic leadership, neighbourhood empowerment, accountability, value for money and equity". The section on Neighbourhood Empowerment in the "Invitations to Councils in England to make proposals for future unitary structures" states that.

"To improve the quality of life for citizens the Government believes that all communities should have the power and resources to influence the decisions that affect them in their localities. To enable genuine empowerment there needs to be devolution of power down to local communities".

It is suggested that there could be Local Charters for service delivery and that local communities should have an active role in influencing and shaping both planning and delivery of services. It is also stated that most communities within a unitary authority's area should be empowered.

### Local Context

In response to the government's white paper three of the six local authorities in Shropshire have prepared a submission seeking unitary status for the county. They are Shropshire County Council, Oswestry Borough Council and South Shropshire District Council. However it is not necessary to obtain agreement from all of the local authorities for unitary status to be granted. The submission recognises that county residents would want local decision making structures and proposes to create these. They would be flexible in their constitution, but local area committees are proposed.

The proposed remit for the committees is to scrutinise local service delivery by the unitary council, hold other public service providers to account, determine expenditure of a delegated budget and act as decision maker with respect to the local delivery of a range of services and prioritise resource allocation in the area.

Clearly a regeneration company for South West Shropshire could and should fit within this broader framework.

In addition to the policy implications of the proposed local government reorganisation, there is another policy development which could impact upon the proposed regeneration company. This is the creation of a leisure trust for South Shropshire, although it is possible it could be expanded to cover the whole of the county. At present Ludlow Leisure Centre is managed by a trust, and there are plans to expand the remit of the trust to encompass Cleobury Leisure Centre. In addition South Shropshire District Council has plans to include SpArC within the trust umbrella. The advantages of the trust are seen as two fold. Firstly it offers financial advantages in that there is exemption from business rates. Secondly it is considered that a trust covering a number of leisure centres can achieve economies of scale in terms of administration as well as providing cover for each other if a staff member is ill.

SpArC cannot be both part of a local regeneration company and part of a South Shropshire Leisure Trust, although the latter arrangement would not preclude some framework to ensure local accountability.

### 3. INTERVIEWS WITH KEY STAKEHOLDERS

In order to ascertain the views of key stakeholders on the proposed local regeneration company, a series of interviews were conducted using a standard interview proforma in order to shape the discussion. The list of interviewees and their responses, sixteen in all, is attached as Appendix I, while the questionnaire used is appended as Appendix II. Interviewees fell into three groups:

- County Council Officers (4)
- South Shropshire District Council Officers and the Council Leader (5)
- Representatives of organisations based in South West Shropshire (7)

#### County Council Officers

County Council interviewees included Liz Nicholson, Corporate Director – Children and Young People’s Services; Andrew Shannon, Principal Education Finance Officer; Nick Taylor, Assistant Director, Economy and Strategy; and Alan Penton, Sports Development Officer.

Discussions with Liz Nicholson, Andrew Shannon and Alan Penton focused upon SpArC and its relationship both to the local community and the proposed local regeneration company. It was explained that the SpArC building belongs to the County Council and is seen as an integral part of school facilities. As a result of this there is only limited public access during the school day. The Community College is given a delegated budget by the County Council of which £25,000 is for the use for the SpArC facility by schools during the day.

While SpArC was seen as a facility which was integral to the school, there was a possibility of it being transferred to a South Shropshire or Shropshire wide leisure trust. It would then qualify for a 100% exemption from business rates which would enable more money to be retained to either reduce the operating deficit or provide additional facilities. There would also be the potential for cost savings from the sharing of administrative costs across a number of centres, and the sharing of dedicated leisure centre expertise. A trust could also cover for staff absences by using staff from other centres within the trust.

It became clear that whatever the future ownership of SpArC was, it would continue to need large ongoing public subsidies as only the fitness suite was a significant generator of income.

There was opposition to SpArC becoming a part of a local regeneration company as it was felt that this would conflict with the plans for a local leisure trust and that the regeneration company would lack the specialist expertise to run SpArC. It was conceded, however, that if a leisure trust were to be created, there would be a need for a local input probably by means of a local management committee on which the regeneration company could be represented.

Interestingly in the discussion on the merits of a leisure trust as opposed to SpArC being part of the proposed regeneration company, no mention was made of social and regeneration arguments for trust status which include social inclusion, local control and regeneration through sport.

The interview with Nick Taylor, Assistant Director Economy and Strategy, focused upon the impact on regeneration of a local regeneration company. He outlined the County’s support for economic development in Bishop’s Castle including that provided to Enterprise South West Shropshire. He was neutral on the idea of the creation of a local regeneration company but saw advantages in the potential to promote joint working and giving local people a greater say on local issues. The difficulties he foresaw were bringing different funding streams together and the attitudes of the county and district council in devolving responsibility to the company.

## South Shropshire District Council Officers and the Council Leader

District Council interviewees included Graham Biggs, the Chief Executive; Heather Kidd, Leader of the Council; Bill Jones, Director of Environment and Development; Sam Hine, Head of Regeneration and Partnerships; and Lisa Bedford, Regeneration Officer. Sam Hine has been seconded to the County Council as Head of Regeneration.

Responses from the district council interviewees focused on two key issues:

- the concept, activities and funding of a regeneration company in Bishop's Castle
- the future of SpArC and its relationship to the proposed company.

With respect to the concept of the company there was a feeling that such a vehicle would increase commitment and buy in from the local community and could enhance the co-ordination and impact of the resources currently being spent in Bishop's Castle. There was support for the merging of the Community Operation at the college with ESWS, with services being delivered from Enterprise House. There could be potential for outreach work being done, as in North Shropshire, which could complement the Village Outreach Project which is run by ESWS. Hence not only kit would be provided to villages for plays, shows or other events but support for the activities themselves. Another potential gain from integration was a more coherent approach to training in the Bishop's Castle area. At present Enterprise House delivers a considerable amount of training but cannot offer accredited courses, whereas the Community Operation at the college can. A new company could also promote tourism, including bed and breakfast accommodation, and ICT access. Another role for the company would be the management of local facilities jointly with the local authority.

A key obstacle was seen as being the financial weakness of ESWS, the Community Operation and SpArC as all were dependent on grant funding and, in the case of SpArC, very heavily loss making. There was a feeling that any new company would need to have a financially robust business plan which showed that it could be financially viable with, in the first instance, a mixture of grant income and earned income. However there was a suggestion that over time the company should become self-financing. This could involve payment for the delivery of services on behalf of the local authority/authorities.

Another, but not insurmountable obstacle, was thought to be resistance to change as the individuals involved in running services in Bishop's Castle liked their independence.

It was felt that the regeneration company should be a company limited by guarantee and be based on Enterprise South West Shropshire. It should focus upon regeneration, education and training and be the vehicle through which monies for these activities were channeled in South West Shropshire. Moreover its proposed activities and structure would need to take account of and complement the possible move to unitary authority status within Shropshire.

The future of SpArC and its relationship to the proposed regeneration company was perceived as being much more problematic. The general consensus was that SpArC should not become part of the regeneration company and should instead become part of a South Shropshire or Shropshire wide leisure trust. There are plans to create such a trust which would have charitable status and hence be exempt from business rates. The money saved could either be used to pay for additional facilities or to reduce operating deficits. It was felt that such a trust could share expertise across centres, produce savings on administrative costs, and provide cover as between one centre and another in the event of staff absences.

It was felt that the staff in the proposed regeneration company would lack the necessary expertise to run a leisure centre. Moreover it was felt that taking on the centre was an enormous financial responsibility given that SpArC was likely to need very heavy ongoing subsidies. For example the forecast loss for this year of £92,457 was likely to be at least £20,000 higher. In addition SpArC staff, would need to be TUPEd across to the new company and would bring with them substantial salary and pension liabilities.

However it was recognized that there were issues with respect to community access and involvement with respect to SpArC. Part of the problem was caused by the Community College head block booking SpArC facilities during the school day. In addition SpArC facilities needed to be used in the school holidays to promote tourism, such as the organization of summer schools. It was felt that there was scope for a central booking point for all facilities in Bishop's Castle, including SpArC, based at Enterprise House. It was also felt that if the regeneration company were formed it could be a member of the advisory committee of the leisure centre in order to provide local input into the running of the centre. Recognising the need for the integration of regeneration, education and leisure facilities in Bishop's Castle, it was suggested that the regeneration company and the leisure trust should be required to produce annually a joint plan of activities as the basis for seeking funding from the local authorities.

### Representatives of Organisations based in South West Shropshire

The representatives of local organizations interviewed included Iain Skewis, Chief Executive of ESWS; Mike Ashwell, Centre Manager; Grant Perry, Chairman of Bishop's Castle Lifeline Company Limited (which trades as Enterprise South West Shropshire); Gwyneth Owen, SpArC Centre Manager; Terry Hunt, Principal of the Community College and Janney Phillips, who is responsible for community education; and Jane Carroll, the Mayor of Bishop's Castle.

The views of those interviewed were sharply polarised between those who were in favour of the establishment of a local regeneration company because of its capacity to co-ordinate and expand local training, education and community services and those who opposed the idea. Iain Skewis, Chief Executive of Enterprise South West Shropshire, Mike Ashwell, the Centre Manager, and Grant Perry the Chairman of Bishop's Castle Lifeline Company (of which Enterprise South West Shropshire is the trading name) all favoured the creation of a local regeneration company, as did Jane Carroll, the Mayor of Bishop's Castle. They envisaged the company being built around Enterprise South West Shropshire, but recognized that some changes in the board of the company might be needed to ensure it was inclusive of all local interests.

Key advantages of the company were seen to be:

- the creation of a strong local organisation
- integration of existing services in Bishop's Castle and the creation of new ones
- cost savings and enhanced efficiency from centralising the administration of services
- greater community access and use of existing facilities such as SpArC
- further development of Enterprise House to become a micro business support centre for South West Shropshire
- giving local people greater control over local services
- enhanced flexibility and speed of response in meeting the needs of the local community
- the ability for the new company to produce and implement an integrated regeneration strategy for Bishop's Castle.

Amongst the group there was a recognition that the relationship of the new company to SpArC needed careful thought although there was a desire to incorporate SpArC into the new company. Concerns were that SpArC was in need of large ongoing subsidies from the local authorities and that there would need to be a guarantee that these would continue, including responsibility for any losses being accepted by the local authorities. It was felt that one possibility was for the ownership of SpArC to be transferred to the new company but with it then being leased back either to the Community College or a local leisure trust to operate it.

In this way there would be greater local accountability but also the benefit of the specialist and potentially shared (with other centres) expertise in running the centre. It was thought that ownership of SpArC by the regeneration company could address issues of lack of access at weekends and during school holidays, and permit wider use of the building, for example to run training courses.

Opposition to the proposed regeneration company came from those who would be directly affected by any change in current arrangements namely Gwyneth Owen, SpArC Centre Manager, Terry Hunt, the head of the Community College in Bishop's Castle, and Janney Phillips who runs the community operation based at the college. Opposition focused around:

- the perceived financial weakness of ESWS if it were to become the core of the new regeneration company
- the difficulty of fitting SpArC into the new structure as specialist expertise was needed to run the centre and ESWS staff lacked this expertise
- the perceived greater benefits to be gained from SpArC becoming part of a South Shropshire or Shropshire wide leisure trust due to the capacity then offered for the leisure centres to share administration, expertise and provide staffing cover for each other in the event of any absences
- the fact that the Community Operation at the college could offer recognized training qualifications whereas Enterprise House was not able to do this.

Generally speaking this group did not perceive the need for a single focus for regeneration or indeed for greater co-ordination.

As can be seen from the interviews there is a recognition in most quarters that there are advantages to be gained both organisationally and financially in having a single regeneration vehicle for Bishop's Castle or, at the minimum, considerably greater co-ordination and rationalisation of the current pattern of service provision. SpArC's relationship with the proposed new company is clearly the most contentious and difficult issue. There is, however, maybe a consensus that the day-to-day operation of SpArC needs to be the responsibility of leisure specialists, irrespective of the ownership of the centre.

Moreover there was little discussion of the way in which the proposed regeneration company would fit with the proposal for Shropshire to become a unitary authority, probably because this was only beginning to emerge as an issue when the interviews took place.

#### **4. REVIEW OF FINANCIAL PERFORMANCE AND BUSINESS PLAN**

In order to obtain a picture of what the financial position of the proposed local regeneration company would look like if it encompassed ESWS, the Community College activities and SpArC a forecast set of accounts encompassing all three bodies have been assembled for the 2006/7 financial year. These are attached as Appendix III. These are based on past performance, inflation uplifts, and financial forecasts for the current year. Exceptional items have, as far as possible, been eliminated and also transfer payments between the three bodies such as the payment from ESWS to the Community Operation at the College.

Taking the Community Operation at the College first, it can be seen that it is forecast to have a total income for 2006/7 of £57,360 of which £29,172 comes from course fees and lettings and the balance from grant funding including the £14,350 which the county council pays via Enterprise House. Its forecast expenditure is £66,999 of which £18,349 relates to the cost of lecturers and teaching related activities. No less than £29,316 goes on salaries, nearly 44% of the total, with the balance going on administrative costs. Thus only 27% of the monies are used to deliver learning outcomes, if activities provided by the permanent staff are excluded. The estimated deficit for 2006/7 is £9,639. Course provision is meant to be self-financing, which these forecasts assume to be the case.

The forecasts for SpArC are based on those produced by South Shropshire District Council, and reflect the centre's expansion. Income of £120,911 is forecast for 2006/7 of which £30,000 is a grant contribution from the council tax levy on second homes, £5,023 is a grant from South Shropshire District Council, while the balance of £85,888 is earned income. However latest estimates suggest there will be a short fall of income of around £20,000. This would reduce total income to £100,911 of which 65% is earned and 35% grant income.

Expenditure on SpArC is again based on forecasts produced by South Shropshire District Council and totals £208,345. This reflects a reduction of £50k from the original estimates. Of the total expenditure £102k, almost half, is accounted for by staffing costs. Rates account for £15k annually. It would appear that expenditure is in line with forecasts. This would have produced a deficit in 2006/7 of £87,434. However with the shortfall in income of £20k this will rise to around £107k. Even assuming income levels increase in future years it is clear that SpArC can only operate by receipt of large scale subsidy. Indeed if the Second Homes contribution were excluded the deficit would rise to £137k, with earned income of £65,888 being only 32% of operating costs.

Turning to the Lifeline Company, which trades as Enterprise South West Shropshire, it can be seen that its projected income, which is based on an uplift for inflation and exclusion of one off project income, is £149,448 in 2006/7. This includes income for the county library and information point and rental income from the units in and on the same site as Enterprise House. Expenditure is forecast to be £158,987 of which £75,471 consists of salaries and associated costs. This however excludes £13,952 of consultancy fees. Premises costs total to £20,194 and administration costs to £22,288. This would leave a deficit of £9,539.

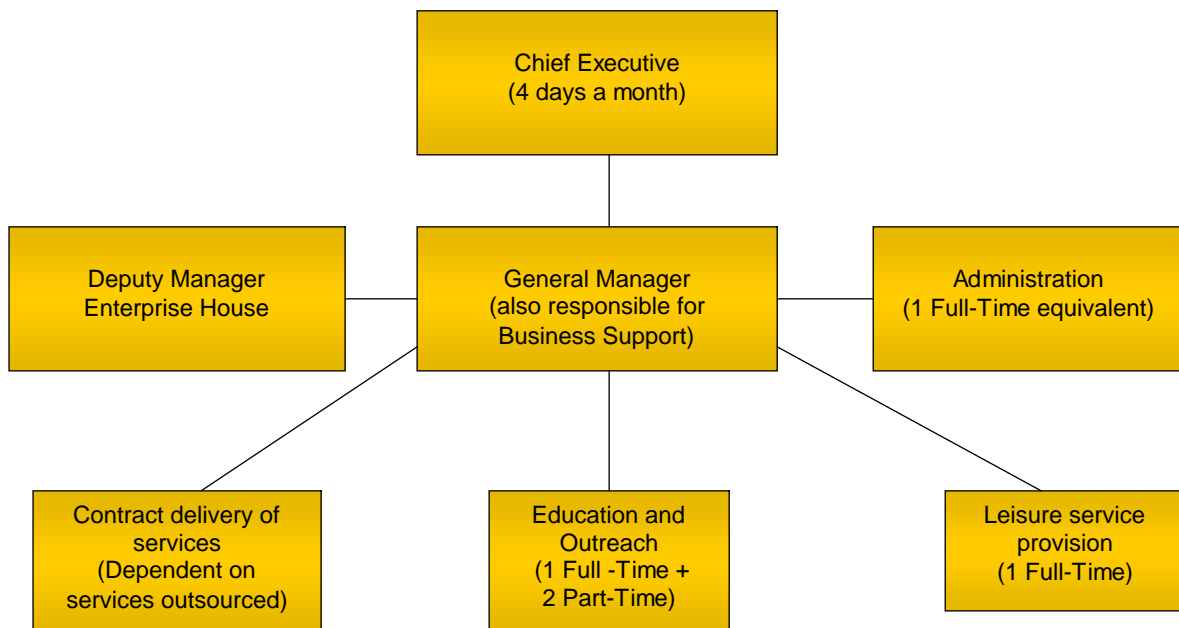
The three operations taken together are forecast to incur an operating deficit of £106,612. This is, however, likely to rise to £126,612 due to the shortfall in income at SpArC. ESWS and the Community College together account for £14,155 of the deficit. This could, however, be more than eliminated by savings on staffing and administrative costs. For example if the Community Operation was moved to Enterprise House and staffing reduced to one then there would be a £14,310 saving on premises costs, which are recharged by the college, and a £13,592 saving on staff costs making £27,902 in all. Moreover income could be increased if services such as hedge and verge cutting, ground maintenance and street cleaning were delivered on contract to the county council as part of any arrangements to devolve service delivery to a local level as part of the move to unitary authority status. What is clear, however, is that SpArC is, and is likely to continue to be, heavily loss making and should not be included within any new structure without a guarantee that the deficits would be underwritten by the local authorities, as is the case with the other leisure centres in the county.

## Business Plan

It is important that the proposed regeneration company is financially viable and that it becomes the delivery vehicle for local services. It is envisaged that it would have four areas of activity:

- Regeneration
- Education including outreach work
- Leisure service provision
- Delivery of services on contract to the local authority.

The first three areas of activity are already carried out by ESWS, SpArC and the Community Operation at the Community College. It is assumed that the fourth one will result from the devolution agenda which would accompany any move to a unitary authority in Shropshire. The company would have a central administration based at Enterprise House. A possible organisation structure and staffing complement is set out below:



Excluding contract delivery staff, there would be five full time staff of which four would be directly involved in service provision, as well as the two part-time staff who deliver the Village Outreach programme. The Chief Executive would focus on strategic issues and there would be one administrator. Leisure service management at the operational level would be bought in from the proposed South Shropshire/Shropshire Leisure Trust because of their specialist expertise. It is assumed that the new company would require a full-time administrator instead of the part-time support provided at present. If a substantial number of services were delivered by the regeneration company on a contract basis, it is possible that an additional administrator would be required.

It is assumed that where possible existing staff in the three organisations would be transferred into the new company, with TUPE conditions being adhered to where applicable.

Taking these assumptions, the financial position of the new company, as set out in Appendix III, shows that the company would have an income of £327,719, which is the aggregation of the income of the three separate bodies operating currently. However expenditure would fall from £434,331 to £409,429 and the aggregate deficit reduce from £106,612 to £81,710 per annum. Excluding SpArC, the merging of the Community Operation at the Community College with ESWS would eliminate the operating deficits of these bodies and yield a surplus of £5,724. Given the latest forecasts for a £20,000 income shortfall in SpArC, the aggregate deficit would rise again to around £100,000 per annum. What the figures reveal is that the proposed company could be financially viable without the developments of new income generating activities if the local authorities agree to pick up the SpArC deficits.

## 5. CONCLUSIONS AND RECOMMENDATIONS

It is clear that at present the organisation of regeneration, education and leisure facilities in Bishop's Castle is fragmented and does not generate the maximum impact possible for the monies expended. A local regeneration company would be a vehicle for delivering services in a co-ordinated manner, ensuring that administrative savings are made and that provision and access to facilities reflects the needs and desires of the local community. At present there is no coherent plan for training provision in the town, while access to SpArC in the school day, at weekends and in the school holidays is poor and hard to justify given the very high level of subsidy which will need to be provided to it on a local basis.

The inclusion of SpArC within the proposed regeneration company is the issue which is most controversial with the alternative view being that it should become part of a South Shropshire/Shropshire leisure trust. However the arguments put forward for the trust focus on savings on business rates and shared management costs and expertise, which is clearly an important issue. However no thought seems to have been given to other reasons which have led to the creation of leisure trusts such as social inclusion and local control. One possible compromise is for SpArC to be part of the new company but for the management to be done by leisure service professionals under a service contract.

Moreover only limited thought seems to have been given to date to the possible move of Shropshire to unitary authority status combined with devolution to a local level, and the role a local regeneration company could play within this. The proposal for area committees envisages some decision making powers over delegated budgets. However this would be a much more powerful form of local empowerment if local committee decisions were implemented by a local agency acting on contract to the county council. This is the model proposed for the regeneration company in Leominster in Herefordshire. Clearly this would not be appropriate for every service and considerable thought would need to be given to what activities could be delivered on contract locally. However, whatever the delivery method chosen, and this could differ from one part of Shropshire to another, depending on the wishes of the local community, there would need to be strong local input into what services are delivered and how this is done. The proposal for a local regeneration company in Bishop's Castle and the associated debate over the future of SpArC should be seen as an integral part of the discussion on how local services should be controlled and delivered in the context of a unitary authority.

If the company is created it will be important to ensure that it is financially robust. Merging fully the activities of ESWS and the Community Operation at the Community College, combined with cost savings, could produce an organisation where income and expenditure were in balance. Adding the delivery of services on contract to the county council could generate a surplus from efficiency savings and enhance the financial robustness of the organisation. The inclusion of SpArC should only occur if there is a long term guarantee from the local authorities to pick up the very large operating deficits, the size of which could threaten the viability of the other activities of the regeneration company. If these guarantees were not forthcoming, then at the minimum the regeneration company should be given a substantial voice in the management of SpArC and maybe an operational role as well with respect to the theatre and foyer. This would reflect the social agenda which has underpinned the inclusion of leisure centres in trusts elsewhere in the country.

### Recommendations

- The concept of a local regeneration company for South Shropshire should be developed as a model for local service delivery and devolution of decision making in the context of Shropshire moving to unitary status
- Weak models of local empowerment such as local consultative bodies and lobbying trusts should be rejected as they rapidly lead, based on experience elsewhere in the country, to local people becoming disillusioned and feeling that nothing has really changed

- The current fragmentation of provision for economic regeneration, education and leisure in Bishop's Castle is wasteful of resources and difficult to justify. There should be an annual plan produced for service delivery on which funding by the county and district councils is based, combined with output targets
- The activities of the Community Operation at the Community College should be taken over by the regeneration company if and when it is established. This should lead to a coherent approach to training and community outreach provision which is currently absent, and savings on staff and administration costs
- Enterprise House should become the administrative centre of the company with all activities centred there which do not need to be site based, such as supervision of the swimming pool at SpArC
- The County Council, District Council and Bishop's Castle Town Council should be consulted by ESWS on what services could be delivered by an appropriately staffed local regeneration company
- Bishop's Castle and District Lifeline Company should form the core of the local regeneration company with membership modified to replace organisations which are now defunct and new ones added to ensure it is inclusive of local interests
- Ownership of SpArC should be transferred to the local regeneration company in order to maximise service integration, community use and involvement. The centre should be operated on a contract basis by leisure professionals either within the local authority or within a possible leisure trust. SpArC would be run on a service level agreement with the local authority which would include the local authority being responsible for funding operating deficits. Without such an agreement SpArC should not become part of the new company.
- Once the services to be encompassed by the regeneration company are agreed, a business plan should be produced covering the first three years of operation. It should include an analysis of services to be provided, staffing numbers and skills, and income, expenditure and cashflow forecasts.
- On an annual basis a service delivery plan should be produced for Bishop's Castle encompassing all those organisations engaged in the provision of economic regeneration, training and leisure services. This should encompass the activities of the regeneration company, the Bishop's Castle Marches Partnership, the Town Council and Castle Community Leisure. This should be the basis for seeking of funding from the local authorities and on which they provide funding. It should, if a unitary authority is created, be approved by the Area Committee prior to submission. This permits service provision to be integrated in order to achieve maximum impact.

The proposed regeneration company provides an important opportunity to respond to the government's desire for control and delivery of services to be devolved to a local level. It could become a model for service delivery not only in Shropshire but in other rural areas of the United Kingdom.