



CUMBRIA
LOCAL
ENTERPRISE
PARTNERSHIP

Cumbria...
the place to
grow



Cumbria's Local Industrial Strategy

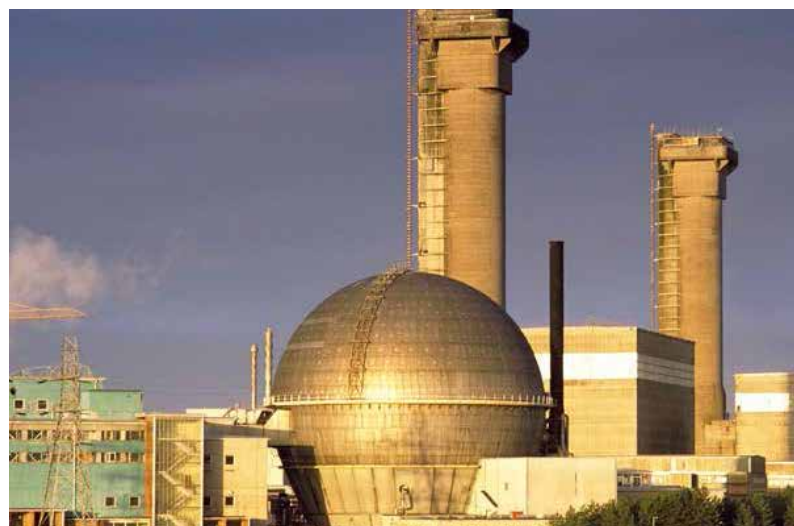
MARCH 2019

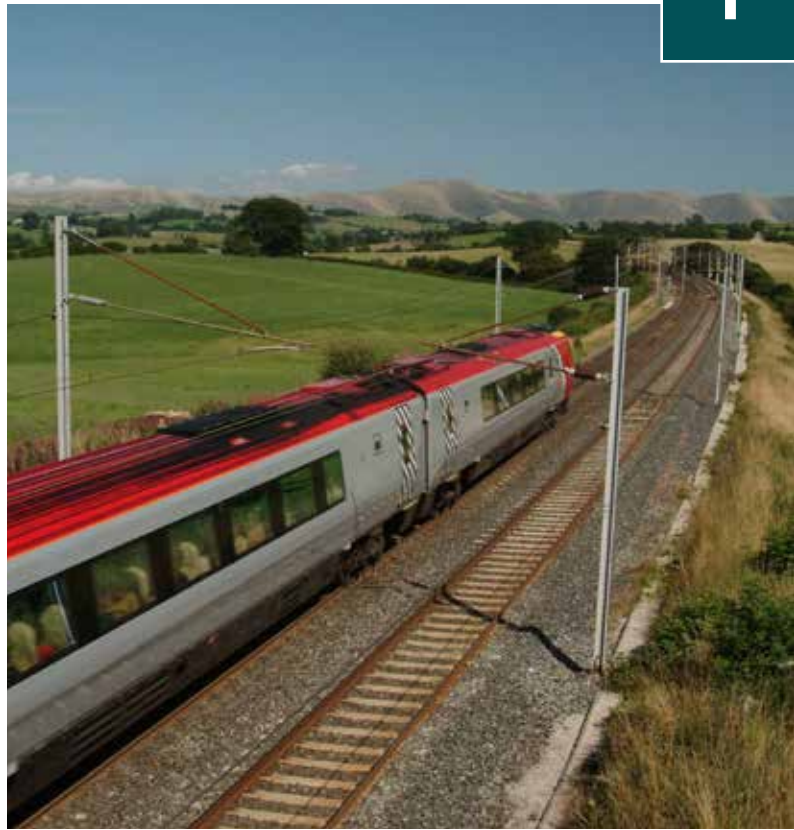
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1. Scope and purpose of the Industrial Strategy

- 1.1 The Government produced its national Industrial Strategy in November 2017, which outlined plans for an economy that “boosts productivity and earning power throughout the UK”. In Cumbria we interpret this as ‘inclusive growth’, making sure that our people and places prosper alongside our businesses and economy.
- 1.2 The strategy sets out five foundations of productivity, described as “the essential attributes of every successful economy”, which are:
 - Ideas: the world’s most innovative economy
 - People: good jobs and greater earning power for all
 - Infrastructure: a major upgrade to the UK’s infrastructure
 - Business environment: the best place to start and grow a business
 - Places: prosperous communities across the UK.
- 1.3 The Industrial Strategy also sets out four Grand Challenges which are:
 - Artificial Intelligence (AI) and the data economy: to put the UK at the forefront of the artificial intelligence and data revolution
 - Clean growth: to maximise the advantages for UK industry from the global shift to clean growth
 - Future of mobility: to become a world leader in the way people, goods and services move
 - Ageing society: to harness the power of innovation to help meet the needs of an ageing society.

- 1.4 The Industrial Strategy also made it clear that Local Industrial Strategies are a key mechanism to take forward the national Industrial Strategy, stating that Local Industrial Strategies (LIS) will:
- Be developed locally and agreed with government
 - Be long-term, based on clear evidence, and aligned to the national Industrial Strategy
 - Identify local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness
 - Help identify priorities to improve skills, increase innovation and enhance infrastructure and business growth, which will guide the use of local funding streams and any spending from national schemes.

What are we doing in Cumbria?

- 1.5 Cumbria Local Enterprise Partnership (CLEP) is one of 38 LEPs who are business-led partnerships between the private and public sector, with responsibility for steering growth strategically in local communities and driving inclusive growth, increasing prosperity and improving productivity.
- 1.6 CLEP has worked with all of our partners to develop Cumbria's LIS in response to the national Industrial Strategy. The timing was right to do this as our first Strategic Economic Plan was launched in 2014, over five years ago. A major review was needed given that much has changed during that time. The progress CLEP and partners have made in implementing the SEP is summarised below.
- 1.7 The SEP has been underpinned by a number of important accompanying documents: the Skills Investment Plan, the Infrastructure Plan and the Rural and Visitor Economy Growth Plan. These are all being re-aligned with the LIS, with the recently completed Energy Plan already framed around the five drivers of productivity and the clean growth Grand Challenge.
- 1.8 The LIS has been produced following extensive consultation and feedback from June 2018 to March 2019 which have helped shape the strategy.

This LIS sets out the vision for Cumbria, five strategic objectives for the county with associated targets, and a number of supporting priorities. It is not however an action plan or business plan for specific activity by the LEP and its partners. A supporting action plan and work programmes are being developed to ensure that the ambition, strategic objectives and priorities are delivered.

Table 1.1: Progress in our 2014 Strategic Economic Plan areas

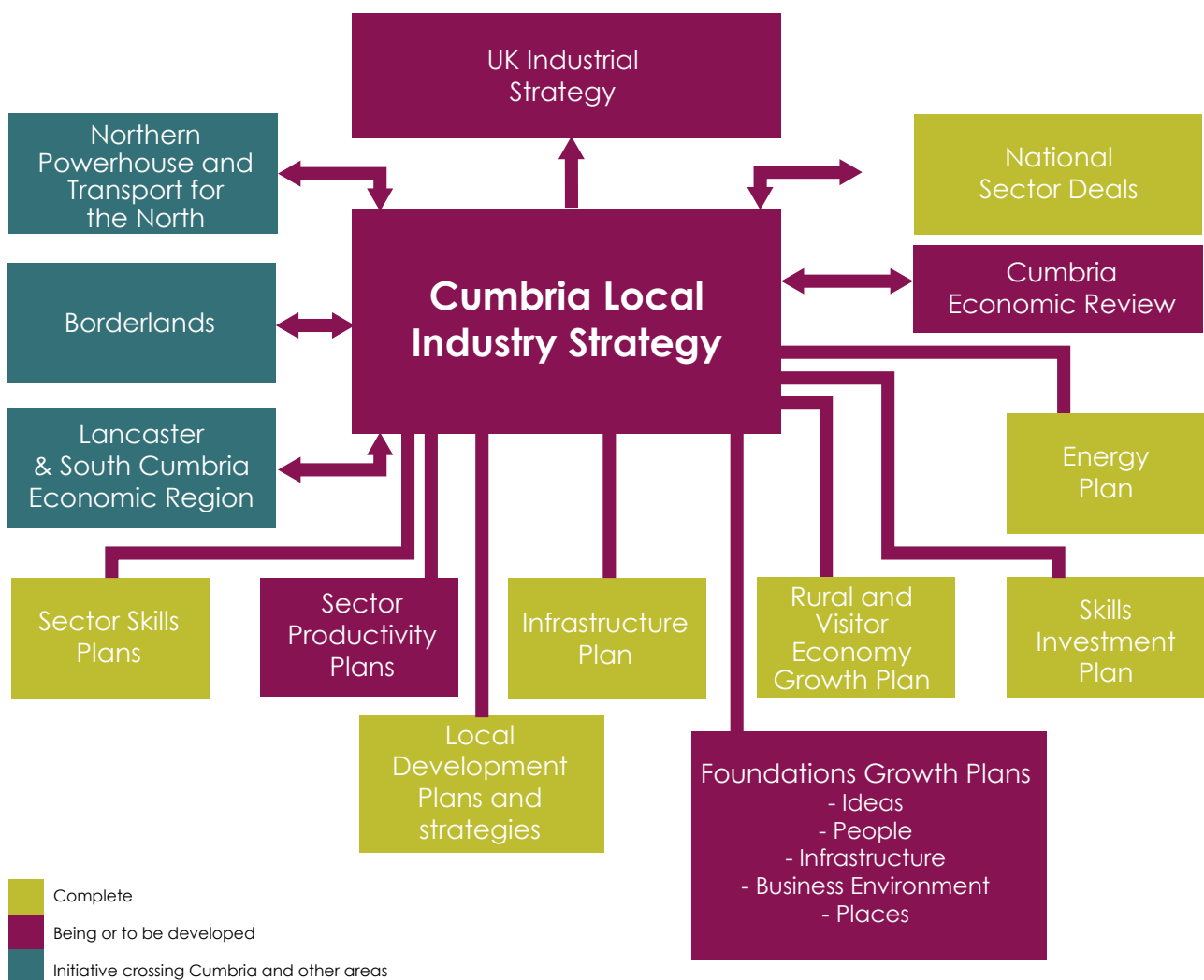
Element	Progress supported by Cumbria LEP and our partners
Key focus/ four prongs: Advanced manufacturing growth/ Nuclear and energy excellence/ Vibrant rural and visitor economy/ Strategic connectivity of the M6 Corridor	<ul style="list-style-type: none"> • Launch of Enterprise Zone at Kingmoor Park, Carlisle with around 70 hectares of development land • Development of National Centre for Nuclear Skills (Lakes College) • Advanced Manufacturing and Technology Centre –Furness College and at Carlisle College • Successful bid for World Heritage Site status for Lake District • Significant growth in visitor numbers and spend in Cumbria and investment in better quality hotel and other accommodation • Investment in improved cultural facilities in Windermere, Grasmere, Kendal and Whitehaven • Investment in Cockermouth to improve flood defences for key advanced manufacturing firms • Housing and employment sites unlocked along the M6 corridor • Successful bid for a Food Enterprise Zone around Penrith, Appleby, Alston and Kirkby Stephen
Four economic drivers: Business Support, Skills Development; Infrastructure Improvements; and Environmental Sustainability	<ul style="list-style-type: none"> • Successful roll-out of Connecting Cumbria super-fast broadband • Development of the Cumbria Growth Hub • Development of the Rural Growth Network • Road improvements to the A590 • £2m Port of Workington access bridge • Carlisle Airport £15 million invested by the public and private sector to enable airport to open for commercial services in 2019 • Industrial estate access improvement at Gillwilly (Penrith) and Durranshill (Carlisle) • £7m investment in Barrow Waterfront Business Park to open up the site for businesses central road access to the Marina Village for housing / mixed use development • Station hubs at Maryport and Workington • Establishment of the Eco-innovation Hub

How the LIS links to other strategies

1.9 The LIS provides Cumbria's contribution to the national Industrial Strategy, outlining our place in delivering the things that matter nationally and locally. It links to and complements activities in the Northern Powerhouse, the Borderlands Inclusive Growth Deal¹, and the Lancaster and South Cumbria economic region. It provides the overarching framework for Cumbria's 'daughter' documents already developed, including the Rural and Visitor Economy Growth Plan, Skills Investment Plan and Infrastructure Plans. At a local level the LIS links to and complements the Local Plans developed for our six districts and for the Lake District National Park area.

In addition, recognising the importance of the local economy to improving health and wellbeing, the LIS is an important component of the County's approach to public health. The LIS and the Joint Public Health Strategy share a number of key ambitions on ensuring inclusive economic growth, and the LEP is identified within the Public Health Strategy as the key body in progressing many of these ambitions.

Figure 1.1: The relationship between the Cumbria LIS and other strategies



¹The links between the Growth Deal and the LIS are summarised in Appendix E



2. Our 10-year vision for Cumbria, key objectives and targets

Overall Vision

2.1 Our vision is shaped by the:

- world class career opportunities in manufacturing and other sectors coupled with a beautiful natural environment and exceptional quality of life.
- challenge of our potentially shrinking workforce - driving the need to attract and retain talent to live and work here.
- continued role of Cumbria as a place to visit supporting a thriving tourism industry, which in turn supports the cultural and other assets our residents can benefit from.

2.2 Our bold ambition is equally about people and places and we are committed to inclusive growth – making sure that nobody is left behind in our future economy. This is realistic and deliverable in the context of our demographic challenges.

THE VISION

The place to live, work, visit and invest sustainably - where exceptional industry and innovation meets a breathtakingly beautiful and productive landscape.

- 2.3 The vision is, deliberately, not about productivity but about capitalising on our assets.
- 2.4 Globally, places such as the US Rockies have developed successful economies that fully capitalise on their natural capital to promote a live, work and invest destination – especially for those who want to escape from large cities and crowded, polluted environments. These places have experienced strong growth in tech based employment by attracting and using talent that commits to the local area due to the environmental quality and lifestyle offer.
- 2.5 In the UK, Cumbria offers this high-quality natural environment/lifestyle offer which at the same time is accessible to major cities across Britain and the delights of urban living. It is a theme being pursued in our on-going place marketing work: natural capital and quality of life meets great careers, entrepreneurs and tech-based businesses.

Our strategic objectives

- 2.6 The work in developing the LIS has identified many real strengths to build upon in Cumbria, but also key factors that are holding or could hold back our future economic performance (our key challenges or “strategic imperatives” that are described in Section 4). However, these factors also present opportunities to do better and to unlock our potential. We have therefore developed **five strategic objectives** to fully unlock our sustainable growth potential and ensure all parts of our community benefit from economic success:
- **Strategic Objective 1:** Growing and using our **talent pool**. Cumbria's demographic challenge and thin pool of higher level skills mean we need to expand the numbers and skills of our workforce by a combination of greater in-migration and better used of home grown and local talent. *The responses set out in Sections 5 (on selling Cumbria) and Section 7 (people and skills) of the LIS identify what needs to be done.*
 - **Strategic Objective 2:** Capitalising on our **productivity, innovation and enterprise potential**. We see the patchy productivity, innovation activity, low rates of business start-up (even though Cumbrians are often very entrepreneurial) and the modest numbers of faster growing businesses as a real opportunity. Many of the ingredients are in place to drive better innovation and enterprise performance across Cumbria. *The responses set out in Sections 9 on business environment and 6 on ideas/innovation of the LIS identify what needs to be done.*
 - **Strategic Objective 3:** Exploiting **underdeveloped economic opportunities to help get a better balanced economy**. One of the themes of the LIS is to get a better balance across our different geographies and sectors, whilst holding onto our key specialisations. Rather than see the current relatively low numbers of firms engaged in the digital sector as a challenge, we see this as a fantastic opportunity to spin out of key sectors such as nuclear and build on the technology meets natural capital concept. *The responses set out in Sections 6, 8, 9 and 10 of the LIS identify what needs to be done.*






























- **Strategic Objective 4:** Ensuring that all of our **residents contribute by sharing prosperity and opportunity**. This is the inclusive growth theme. There is a compelling economic reason for better engaging and using the potential of all our people – the tight and declining workforce. There is also the need for a fair economy and to ensure the numbers who are 'left behind' are reduced. Cumbria's excellence in the voluntary and community sector and the strong nature of many of our communities provides a real launching pad for this endeavour. *The responses set out in Sections 7 and 10 (skills/people and places) of the LIS identify what needs to be done.*
- **Strategic Objective 5:** Improving **connectivity across the county**. Cumbria's overall location is a key strength, however our geography also presents challenges. Although our north south links along the M6 corridor are excellent, the reliability and resilience of many of our key connections into this corridor are poor. We have major industries that are poorly served by connections and there is a need to better connect our dispersed clusters of people and business activity. Cumbria sees physical and digital connectivity as a case of 'both/and'. Digital connectivity helps link our businesses and people into the global digital economy and increasing key services; improved physical connectivity is a practical necessity as people move to work, study and visit. *The responses set out in Section 8 (infrastructure) of the LIS identify what needs to be done.*

2.7 The overall productivity challenge is one of the key strategic imperatives. Progress against all of our strategic objectives will, to some degree, contribute to helping address this imperative: from better transport connectivity, to improving our skills pool, to tapping into new economic opportunities.






2.8 We have developed a series of detailed priorities that are set out in Sections 5 to 10 of this LIS and summarised in Table 2.1 below. For convenience the key priorities are set out and explored under the sections covering each of the five foundations plus a separate one on place marketing. However, in practice there is strong crossover between many of the actions against these five strategic responses. For instance local place-shaping programmes are important to attract new talent to Cumbria, but also to help diversity local economies and may help residents access economic opportunities; whilst promoting Cumbria's lifestyle and business opportunity offer will help increase talent and the number of new tech-based or creative businesses.

2.9 To help Cumbria achieve its potential and address our challenges there are a number of **policy asks** of government which have been developed by partners that are set out throughout the LIS. These are summarised in Appendix A, where they are grouped by relevant departments.

Table 2.1: Cumbria LIS Priorities

Promoting Cumbria	Innovation and Idea	People and Skills	Business environment	Infrastructure	Places
<p>PC1: Develop Brand Cumbria to effectively markets Cumbria's enviable offer</p> 	<p>Id1: Anchor more R&D activity</p> 	<p>Sk1: Make best use of available talent</p> 	<p>BE1: Develop and nurture a stronger enterprise culture in Cumbria</p> 	<p>Inf1: Improve our digital connectivity</p> 	<p>PI1: Address cold spots of worklessness and social deprivation in Cumbria</p> 
<p>PC2: Develop soft landing packages for those re-locating to Cumbria</p> 	<p>Id2: Operate as the national testbed for new ideas</p> 	<p>Sk2: Develop and retain higher level skills in our economy</p> 	<p>BE2: Increase the rate of fast growing businesses in Cumbria</p> 	<p>Inf2: Invest in road, rail and sustainable travel to facilitate growth, productivity and inclusion</p> 	<p>PI2: Support local place shaping programmes</p> 
<p>PC3: Promote Cumbria as the place where outdoor lifestyle meets technology businesses</p> 	<p>Id3: Commercialise our excellent innovation and ideas</p> 	<p>Sk3: Create the future workforce and skills to meet the needs of our economy</p> 	<p>BE3: Develop strong and productive sectors and networks</p> 	<p>Inf3: Develop products and interventions to increase housing delivery</p> 	<p>PI3: Encourage housing which is the right product at the right price in the right place</p> 
<p>PC4: Promote Cumbria as a great location for inward investment</p> 	<p>Id4: Develop the Innovative Cumbria programme</p> 	<p>Sk4: Develop our future leaders and managers</p> 	<p>BE4: Enhance and exploit supply chain opportunities</p> 	<p>Inf4: Support development of new sites and premises in areas of demand</p> 	<p>PI4: Encourage and support bespoke local area economic diversification strategies</p> 
	<p>Id5: Identify opportunities for innovation in "clean growth"</p> 	<p>Sk5: Address worklessness and youth unemployment</p> 	<p>BE5: Increase trade and new investment</p> 	<p>Inf5: Ensure the key infrastructure to support the development of a resilient and green economy</p> 	<p>PI5: Work with public sector partners to deliver high quality public services</p> 

Note: actions contribute to several strategic objectives, so symbol denotes contribution to the relevant strategic objectives:

-  Growing and using our talent pool
-  Capitalising on our productivity, innovation and enterprise potential
-  Ensuring all our residents contribute by sharing prosperity and opportunity
-  Exploiting under-developed economic opportunities
-  Improving connectivity

How we will measure success overall?

2.10 The LIS will have a set of clear targets against which to measure progress over the next 10 years. The current thoughts on the scope and nature of these targets are outlined below. These will need to be developed further once government has provided its guidance on the performance management framework for LEPs and their Local Industrial Strategies. The proposed targets are summarised in Table 2.2 below. The overall progress of Cumbria's economic performance will be measured by two targets:

Target 1: Improving productivity levels in Cumbria

2.11 The collective actions in the LIS, coupled by investment by our businesses and other partners will contribute towards our target of closing by at least half the current productivity gap on the UK average or of the order of £800 million to £900 million. To do this over the next 10 years is a demanding target. Depending on how we measure productivity now, this implies roughly a 1% per annum faster growth in productivity than the UK average. This can only be achieved as a result of simultaneously:

- Improving the conditions for growth across the county to tackle some of the factors holding back productivity improvements
- Increasing productivity within existing sectors and
- Growing more productive sectors.

Target 2: Maintaining our workforce and attracting more people of working age to live here

2.12 Cumbria faces an almost unique challenge in current projections of workforce decline. Collective partnership action is therefore required to significantly slow down the actual rate of decline of those of working age. The reduction in the rate of population decline, combined with the expected increase in economic activity rates of older workers, should mean we aim to **at least stabilise the available workforce over the next two decades**. This can only be achieved by:

- Attracting more people of working age to live in Cumbria (by a combination of stemming out migration and attracting more returners and in-migrants)
- Increasing economic activity amongst those of working age not fully engaged in the labour market
- Encouraging the productive engagement of older workers, close to and above the official retirement age.

Delivering inclusive growth

2.13 The benefits of economic growth need to be shared across the whole county and across all parts of society in Cumbria in an inclusive way. There is a lot of work underway nationally at present defining and measuring what is meant by inclusive growth. The RSA Inclusive Growth Commission defined inclusive growth as “enabling as many people as possible to contribute to and benefit from growth²”.

² <https://www.thersa.org/discover/publications-and-articles/reports/final-report-of-the-inclusive-growth-commission>

“Traditional metrics of economic performance, such as GDP or at a regional level GVA, are a poor guide to social and economic welfare. They also do not tell us anything about how the opportunities and benefits of growth are distributed across different spatial areas and social or income groups”, RSA Social Inclusion Commission, 2017.

- 2.14 There is no one single measure of inclusive growth (in the same way that there is no one single measure of environmental quality). Table 2.2 below contains several measures which are related closely to inclusive growth (especially targets 8 and 9).
- 2.15 Cumbria LEP will continue to work with partners to review and select robust measures of inclusive growth and also environmentally sustainable growth. It is vital that the natural environmental assets that are so important for our visitor economy and land-based industries are suitably protected and/or enhanced in order to sustain our natural capital.
- 2.16 In developing its targetry, the LEP is considering the idea of producing a Cumbria performance dashboard, that would have targets for the whole of Cumbria and for each district, reflecting the different local aspirations (eg for economic diversification).

Table 2.2: Cumbria LIS target framework

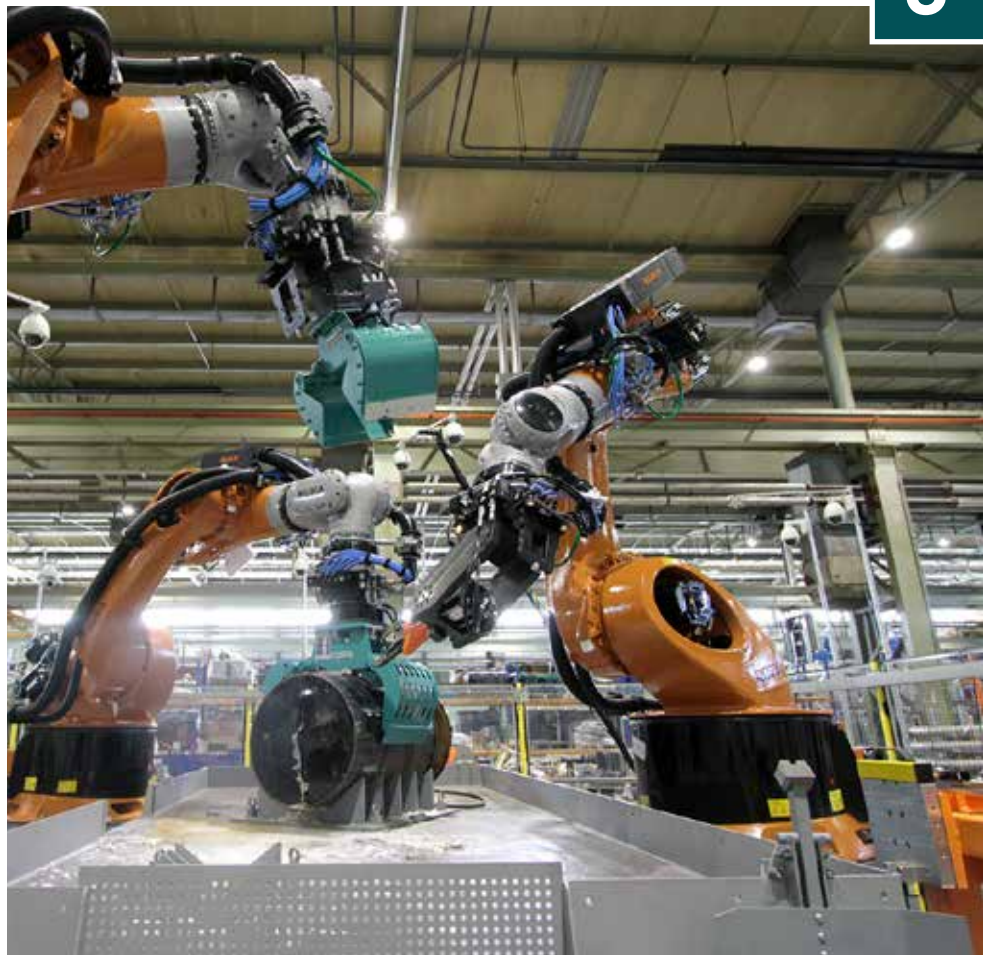
Strategic objective	Target	Current Baseline	Target by end of 10 years
Global	Target 1: Improving productivity levels in Cumbria	Productivity rates in Cumbria are currently (2017) below the national average by around 13% per hour worked and by 15% per job filled	Target is to halve the current gap on the UK average productivity rates over the next 10 years
Growing our talent pool	Target 2: Maintaining our workforce and attracting more people of working age	Our working age population has already fallen by 20,000 (6%) over the last 10 years. The latest government projections are that the core working age population (aged 16 to 64) is forecast to decline in Cumbria by 44,000 (15%) over the two decades from 2016 and 2036	To slow the actual rate of decline of those of working age living in the county (reducing the fall to around 5% or less). This would imply at least 10,000 extra people of working age by 2029. Note: this target excludes the possible contribution of increasing economic activity rates for the over 65s or in workless communities
	Target 3: increase the proportion of our workforce who have higher level skills and qualifications	The 31.4% of those aged 16 to 64 with NVQ4 of equivalent qualification or higher (Jan to Dec 2017) was 7.0% points or 19% below the national (GB) rate of 38.6% and placed Cumbria as 31st out of 38 LEP areas	Half the current gap on the national average by 2029
	Target 4: build more homes and increase the range of housing offered	Delivery has averaged around 1,700 new build dwellings completed in 2015/16 to 2017/18 (around 0.6% of the current total stock of dwellings of 245,000)	Work with local partners to ensure at least 2,000 new homes a year are delivered across Cumbria (in a range of locations and meeting a range of housing needs geared to the need for workforce growth)

Strategic policy response	Target	Current Baseline	Target by end of 10 years
Capitalising on our innovation and enterprise potential	Target 5: increase the number of firms and other organisations who are “ innovation active ”	Baseline and target to be developed as limited up to date information	
	Target 6: increase the rate of business start-ups	In 2016, Cumbria start-up rate per 10,000 population was 40 (1,980 recorded new business births), or 59% of the England average rate of 68 (or put another way the England rate was 70% higher than the Cumbrian rate)	Reduce the gap on the national average by at least [20%] which would equate to around 300 more businesses starting every year on top of the average 2,000 start-ups each year ³
Improving connectivity	Target 7: improve our digital connectivity	November 2018, 92.8% of premises have access to superfast broadband	Achieve full coverage of full fibre infrastructure (in terms of premises passed) and of 4G/mobile phone coverage (of our land area) by 2025. The government's stated current targets are to see 15 million premises connected to full fibre by 2025, with coverage across all parts of the country by 2033 and the majority of the population to have 5G coverage by 2027 ⁴ .
Ensuring all our residents share prosperity and support	Target 8: reduce the disparities in educational achievement across the county	In 2015/16, the average Attainment 8 score at the end of Key Stage 4 in Cumbria was similar to the England average, however the attainment score of Cumbria's disadvantaged pupils was 24% below that of for all pupils. This gap was a good deal higher than the national gap 18%	Improving the educational outcomes at and level of progress towards Key Stage 4 in particular for the poorer performing parts of Cumbria and amongst our disadvantaged pupils
	Target 9: reduce the number of workless households	The latest data is that there are 25,400 Workless Households Cumbria (Jan-Dec 2017) or 15.3% of all households (but much higher rates in areas such as Barrow)	Reduce the rate to the 12% in North Yorkshire ⁵ , implying a fall of around 5,500 in the totals number of workless households across Cumbria, but particularly in areas of current concentration
Exploiting under developed economic opportunities	Target 10: successfully diversify the economies in: (1) Barrow/Furness; (2) and those parts of the West Coast most dependent on the nuclear sector; (3) in our rural areas	Targets to be developed	

³ 20% of this gap would therefore amount to an 14% increase in the business start-up rate or $1,980 \times 0.14 = 280$ extra new businesses each year

⁴ As summarised in the Future Telecoms Infrastructure Review, DCMS, July 2018

⁵ Chosen as a stretch target for near neighbour



3. Why Cumbria matters

3.1 Cumbria matters. Our economy generates £12 billion annually, we are home to 500,000 people and attract some 47 million visits per annum. We fulfil a number of unique functions that make our polycentric economy significant nationally, namely our:

- Unique geography and vital location
- Special environment and strategic resources
- People, business and economic assets
- Major investment opportunities.

A unique geography and vital location

3.2 Cumbria has a complex and **unique economic geography**. As the 8th largest LEP area geographically (at 6,800 sq. kms) combined with a relatively low population, Cumbria overall has the lowest population density and economic output density (GVA per hectare) of any LEP area⁶. Cumbria therefore has genuine **space to grow**. Our geography is not without its challenges: population and businesses are dispersed across Cumbria and travel to work and learn distances across different functioning economic areas are longer and more complex than in urban environments.

3.3 Cumbria sits at the heart of Britain – on a **vital cross roads** between England and Scotland, supporting critical north/south (M6/West Coast Mainline) and east/west links (A66 and A69).

⁶ Around 40% lower than the next lowest density which is Cornwall, although population density varies across the county and is much higher for instance in Barrow

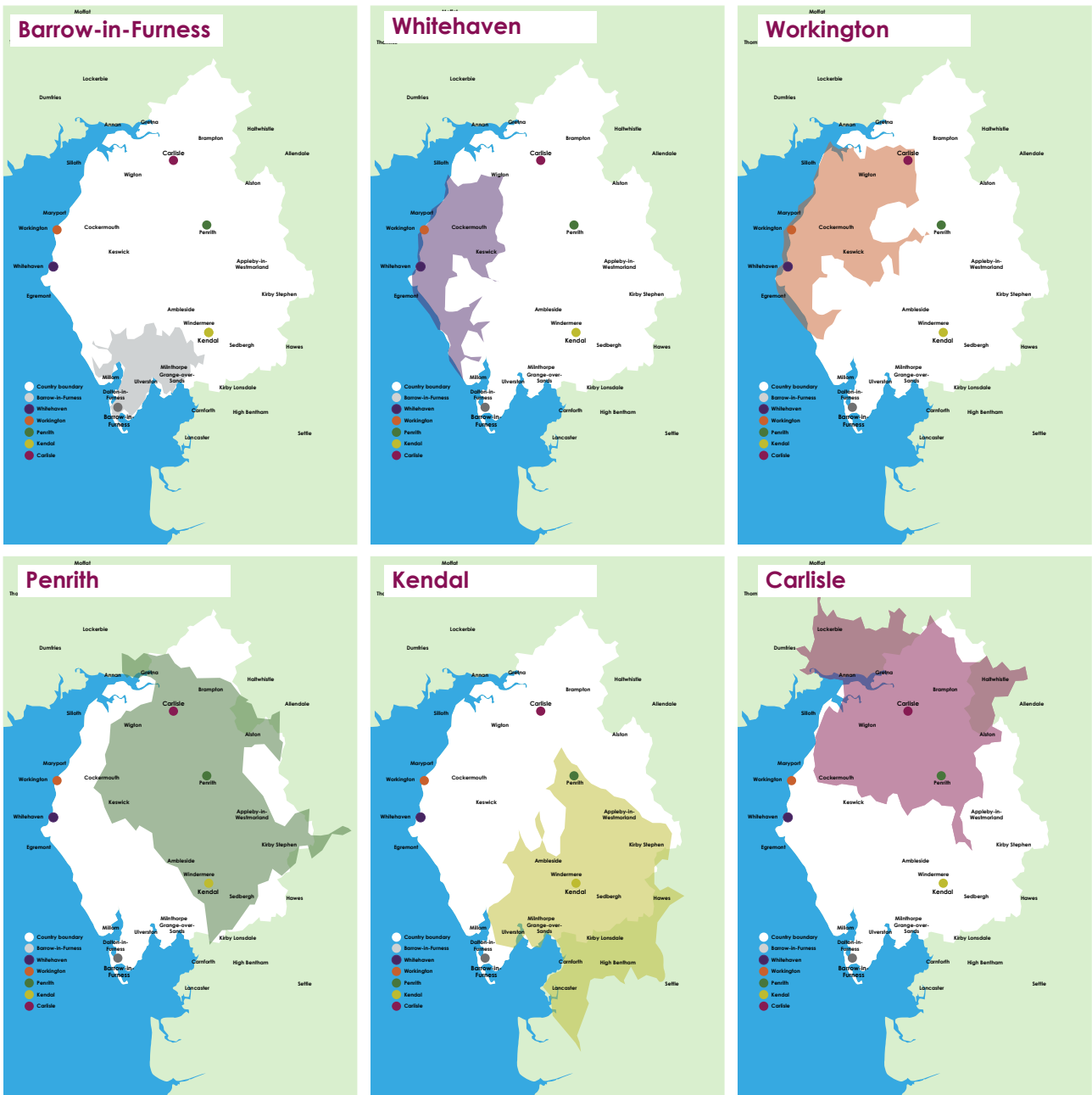
Figure 3.1 Our strategic location



- 3.4 In terms of labour market flows, Cumbria is a **self-contained functional economic area** with 96% of Cumbria's residents working in Cumbria and with 94% of all jobs based in Cumbria filled by Cumbrian residents⁷. Cumbria has the highest rate of job self-containment of any LEP area.
- 3.5 Although Cumbria overall is a relatively self-contained economic and labour market area, it does not function as a single labour market, housing market or economy. Our size and typography means that there are a series of **overlapping labour and housing markets** operating across the county reflecting the distance and time constraints on travel. Our places all have their own distinct local identities, opportunities and challenges, meaning that a place-based approach to tackle challenges and exploit opportunities is essential with collaborative working the key to achieving this.
- 3.6 The maps below illustrate the 40 minute travel time to demonstrate accessibility around our main settlements.
- Carlisle is accessible to parts of southern Scotland, down the M6 to Penrith and out along towards the West Coast (where access is constrained by relatively poor transport links).
 - Penrith has good north south and east west links and is therefore accessible to large parts of Cumbria.
 - There is a large overlap between the travel to work areas centered on Whitehaven and Workington, with commuting flows between Copeland and Allerdale districts the strongest within Cumbria.
 - The travel to work area around Barrow is relatively small covering the Furness peninsular (including Ulverston and other parts of South Lakeland district).
 - Kendal's travel to work accessibility extends south into Lancaster district and potentiality north towards Penrith.
 - In actual travel to work flows on the ground in Cumbria, the strongest links are between the districts of Allerdale and Copeland, between Barrow and South Lakeland, and between Eden and Carlisle.
 - However, the travel to work patterns of higher paid managerial and professional workers are considerably more stretched than these maps would suggest.

⁷ Of the 245,000 residents working in 2011 only 10,000 worked at a fixed location outside Cumbria and of the 248,000 jobs located in Cumbria, 15,000 were filled by residents from outside Cumbria, so the county is a net importer of labour

Figure 3.2 Our overlapping travel time areas



Note: illustrative maps based on 40 minute drive times around each settlement to exemplify the **potential** labour market catchment. In practice actual travel to work patterns will vary from these and in some cases extend further or not as far as shown (for instance travel to work flows between Kendal and Penrith are very limited).

3.7 Our close and historic ties to Scotland are reflected in the Borderlands Inclusive Growth Deal and in the daily flows of workers, shoppers and visitors between southern Scotland and north Cumbria. Carlisle acts as a sub-regional centre for a large part of the **Borderlands geography** (covering all of Cumbria, Northumberland and south Scotland). Cumbria is playing its full part in the development of the Borderlands Inclusive Growth Deal submitted to government in September 2018 providing strategic investment proposals related to digital infrastructure, renewable energy, place-making, better business premises, enhancing the higher education offer and knowledge exchange. Our links, shared issues and opportunities with our neighbours to our east are being explored via the Route66 North project.

- 3.8 South Cumbria has strong housing and labour market links with **northern parts of Lancashire** – especially Lancaster – with a history of “cross-border” economic development activity around the Morecambe Bay area. Lancaster University is closely involved in Cumbria, working in partnership with the University of Cumbria. Lancaster, South Lakeland and Barrow are working together on producing an Investment Plan for the Lancaster and South Cumbria region around Morecambe Bay, building on strengths in skills, energy, world class manufacturing and tourism.
- 3.9 Our **rural areas** link to surrounding areas in the North East (North Pennines AONB/Hadrian’s Wall) and Yorkshire (the Yorkshire Dales National Park extending into Cumbria) and we share common rural and visitor economy challenges and opportunities. Joint working is taking place to address these shared issues⁸.
- 3.10 Importantly, much of Cumbria is **surprisingly accessible**. Many parts of Cumbria are less than 1 ½ hours away from major cities: Edinburgh, Glasgow, Manchester, Newcastle, which are all readily accessible by road or rail with direct connections. London is just 2 ¾ hours from the south part of Cumbria.

Our special environmental assets and strategic resources

- 3.11 Our natural assets and strategic resources play an important national role, providing critical capacity that supports our industries, our visitor economy and help feed the nation. These need to be nurtured and sustained.

Environmental assets

- **Globally recognised for our beauty, natural environment and cultural landscape:** over 47 million visits per year are made to Cumbria and our world renowned Lake District with its strong historic and cultural connections. This is the UK’s most visited National Park with the highest level of tourism activity and is now a World Heritage Site, reflecting its status as a special ‘cultural landscape’. The Lake District, together with large parts of the Yorkshire Dales National Park, Hadrian’s Wall World Heritage Site and three Areas of Outstanding Natural Beauty means we have the most extensive coverage of protected landscapes in England. Cumbria has a wealth of habitats and wildlife, and a mosaic of mountains, coastline, wetlands, rivers, lakes and woodlands.
- Our low population density means we have **clean air to breathe and dark skies**⁹. Looking to the future, Cumbria stands out as one of the few places in England with remote and tranquil places away from sizeable settlements.
- Cumbria’s landscape provides the environment for extensive **outdoor adventure activities** in our natural playground from hill walking, rock and ice climbing, water sports and mountain biking – the Lake District and Cumbria is truly one of the UK’s adventure capitals. We have a strong cultural offer closely linked to and inspired by our world class landscape.

⁸ The Great Place Lakes and Dales (GPLD) initiative is a partnership between South Lakeland District Council, Craven District Council (in North Yorkshire), the Lake District and the Yorkshire Dales National Parks, funded by HLF and Arts Council England as part of a national pilot, is looking at how the distinctiveness of place can both retain and attract a new generation of dynamic younger individuals that will drive forward the future economy

⁹ The Lake District is the first Dark Sky Discovery site in the North West of England to be accredited by the International Dark Sky Association

Strategic resources

- Our geography and climate means that we are ideally suited for beef, sheep and dairy farming. From our iconic Lake District hill farms with Herdwick sheep, to major dairy farms in the Eden Valley we act as one of **England's centres of high quality food** from our Cumbrian "Terroir". Cumbria is the nation's single most important sheep farming county and home to the second most important dairy herd in England¹⁰. Our food graces the tables of some of the finest restaurants in the world and supports a thriving Cumbrian restaurant and food sector from Michelin star restaurants, to artisan producers.
- Our natural resources make us a major player in the UK's **renewable energy generation** providing an opportunity for Cumbria to play an important role on the clean growth Grand Challenge. Cumbria's **Energy Coast** is home to over 20% of the UK's windfarm generation capacity (including the UK's largest off-shore wind farm at Walney II with a capacity of 659 megawatts sufficient to power the equivalent of 590,000 homes); the location for potential tidal energy resources in Morecambe Bay and the Solway Firth; a developing area for micro-hydro generation; and a centre for biomass applications. Cumbria sits on the important gas field in the Irish Sea and provides key resources for the oil and gas sector.
- Cumbria benefits from **water resources** of the highest quality. We have the third and sixth largest reservoirs by volume in England and supply water to major conurbations of the North West.
- Extensive **forestry assets** for recreation, wildlife and timber production. Cumbria's strategic location in the Borderlands area means a large share of the UK's commercial forestry is readily accessible. The National School of Forestry is located in Cumbria.

Our people, education and business assets

3.12 Drawing on our environmental assets, location and history, Cumbria houses major concentrations of expertise in our economy.

From manufacturing excellence...

- Highly **concentrated area of manufacturing**: 22% of our GVA and 16% of our employment comes from manufacturing placing us 3rd and 1st in LEP rankings.
- Our **manufacturing sector is globally orientated**: a high proportion of our manufacturing businesses export; many businesses are parts of multi-nationals (e.g. BAE Systems, GSK, Iggesund, Kimberley Clark, Nestle, the Oxley Group and Pirelli,) whose presence in Cumbria is longstanding.
- A **global centre of nuclear excellence**, in innovation, R&D, nuclear submarine design, testing and construction, and holding globally unparalleled nuclear decommissioning, radioactive waste management and high value manufacturing capability. This is supported by a highly-skilled workforce, nuclear-literate supply chain, leading R&D facilities and a skills pipeline tailored to industry needs. The Nuclear Sector Deal provides great opportunities through inward investment in R&D, advanced manufacturing, supply chain development and skills to build on our nuclear heritage.

¹⁰ In all county areas Cumbria is second only Devon in terms of our dairy herd

Ship building/submarine/sub-sea technology: Cumbria hosts the £40 billion¹¹ major "national endeavour" to develop the UK's replacement nuclear deterrent submarine fleet and has the expertise, associated technology and a national supply chain.

- **Offshore wind and oil and gas:** with activity located off Barrow in the Irish Sea, we are part of the national supply chain for the offshore wind sector also hosting a major operation and maintenance hub in Barrow. Supported by a cluster of firms that specialise in technology for the offshore sector such as Tritech and Siemens Sub-Sea.
- **Other advanced manufacturing:** whether it is high end, high technology paper for industrial and commercial uses (James Cropper), innovative plastics, including the plastics used in the new Bank Notes (Innovia), or specialist lighting technology (Marl) - Cumbrian firms whatever their sector are operating at the cutting edge of innovation.

- An **excellent vocational education and training system** meeting the needs of our employers via a mix of FE Colleges and private providers. The University of Cumbria is our anchor HE institution which was established in 2007 to help develop the HE offer in Cumbria. It provides excellent higher education teaching from campuses across Cumbria (with the main focus in Carlisle and Ambleside) working in partnership with employers and the FE sector. It has recently been awarded research degree awarding powers. Neighbouring Lancaster University, with its world class research, is on our doorstep, with local presences of both the University of Manchester and UCLan delivering important activity in the county.



...to businesses building on our natural environmental assets

- **Visitor and outdoor economy:** a nationally important visitor economy sector, which is particularly concentrated in the Lake District. Increasingly, a destination for international visitors, often arriving via Manchester Airport, alongside serving our traditional market of visitors from the major urban areas of the Northern Powerhouse. Passenger services operating from Carlisle Lake District Airport in 2019 provides new opportunities for inbound tourism. Cumbria will also play a full and active role in the tourism sector deal being proposed by Visit Britain.
- **Land based and environmental industries:** a major concentration of the UK's dairy and livestock industry (both lowland and upland farming) and of forestry activity, with associated upstream and downstream expertise and capacity. Our land based industries also act as custodians and managers of our landscape. At the cutting edge of dealing with the challenges and opportunities in sustainable landscape and land management in a way that supports our natural capital and delivers important 'eco-system services' especially their key role in the visitor economy.

¹¹ Based on office government estimate of £31 billion (including inflation) over the lifetime of the programme plus a contingency of £10 billion

- We have an associated cluster of innovative and successful business in the outdoor, food and drink and hospitality sectors and strong skills provision within our FE and HE sectors. There are major industries linked to our land based industries in Cumbria: in food and drink manufacturing and in forestry and paper products.

...and the strength of our communities

- The further stand-out feature of Cumbria is the **strength and resilience of our communities** and the richness of our social economy and third sector. Many of our communities, especially rural communities, are particularly cohesive with a strong network of support. Cumbria has been resilient in response to major challenges such as the Foot and Mouth crisis in 2001 and the major floods and damage caused by Storm Desmond in 2015. We have a wealth of talent, including amongst our retired or semi-retired population, that goes unreported in normal economic statistics.

Significant investment opportunities

3.13 Related to our strengths and special features we have substantial investment opportunities including:

- £1.2 billion per annum supply chain spend from Sellafield's decommissioning programme
- Servicing and supply chain opportunities linked to the £40 billion Dreadnought nuclear submarine programme in Barrow
- The Moorside site earmarked for major new nuclear power investment opportunities
- Major potential investments in tidal power being considered for offshore waters in the Morecambe Bay¹² and Solway Firth
- Scope to invest in use of facilities in Barrow for gas storage and import
- A large Enterprise Zone at Kingmoor Park, Carlisle; the opportunity to re-purpose the GSK site in Ulverston ; the former MoD base at Solway 45 at Longtown; Barrow Waterfront; and Westlakes Science Park, Whitehaven
- New coke mining project in West Cumbria.

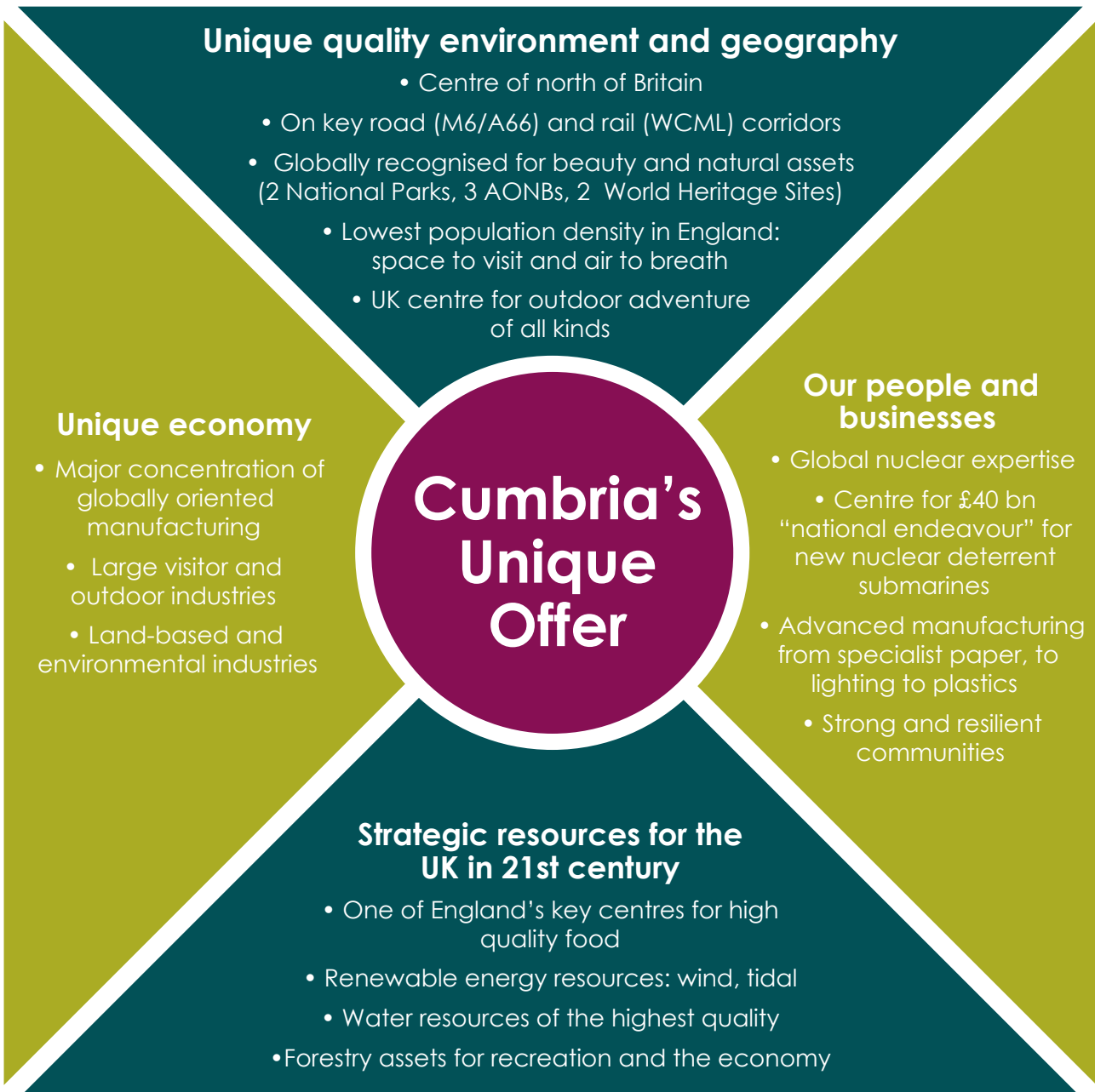
3.14 Cumbria is a **perfect test bed** or **pilot area** to address particular societal challenges and opportunities linked to being a SMART rural area including:

- Remote and digital technologies to deliver health and other services in isolated communities and in older populations (given Cumbria's ageing population, especially in south and east Cumbria, and our geography)
- New approaches to the sustainable management of land and natural assets
- Sustainable tourism and transport in areas of special landscape beauty.

¹² The proposed Northern Tidal Power Gateways project could potentially also deliver associated road connectivity improvements across the Morecambe Bay and Duddon Estuary linking North Lancashire directly to Barrow and beyond

3.15 Cumbria has an important role to play in **addressing the UK's four grand challenges**. Our energy expertise, our unique geography and our demography means that we are ideally placed to deliver a significant contribution to UK plc, particularly in relation to green growth and test bed applications on the future of mobility and meeting the needs of an ageing population (see Table 6.1, Section 6).

Figure 3.3 Cumbria's Strengths





4. The economic overview

We have an unusual “polycentric” industrial structure with particular strengths in agriculture/land-based industries and tourism on the one hand and manufacturing on the other. At a local level many areas have a high and indeed overly high degree of dependence on some sectors and businesses. Our productivity performance is relatively poor to middle ranking and is patchy across sectors and geographies.

Cumbria performs better on other economic measures, including employment rates and average household incomes. A key issue is those areas and communities that have been left behind and have high and persistent levels of worklessness, deprivation and poor health, particularly given these communities are in areas of new investment and jobs potential.

The latest baseline projections are for a significant fall in our available workforce. There is considerable uncertainty about the future direction of travel of the economy as a result of the potential effect of large investment projects and the likely impact of Brexit.

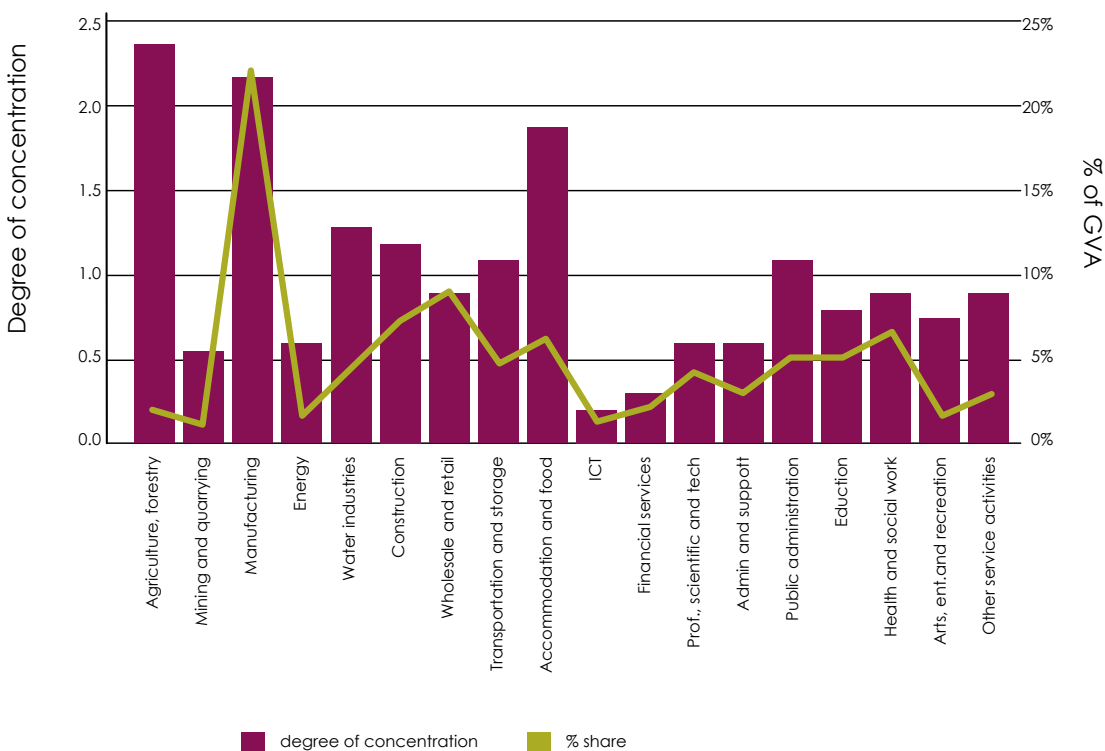
- 4.1 CLEP has updated its evidence base to inform the LIS and the full evidence base is set out in the Economic Review a sister document to the Local Industrial Strategy¹³.

¹³ Cumbria Evidence Base, 2019 (will be available on the LEP's website in due course)

Cumbria's overall economy and structure

- 4.2 Cumbria's £12 billion economy is unique in a UK and possibly international context, given our unusual economic structure (see Figure 4.1). Cumbria has a particularly high share of its economic output from our wide-ranging manufacturing sector (22% compared to 10% for the UK); but at the same time having major concentrations and strengths in farming/land-based industries and in the visitor economy. These strengths sit side by side. In addition we have particular concentrations of activity in land transport (reflecting our strategic transport location) and civil engineering construction and architectural/engineering linked to the specialist construction, especially nuclear activity, that take place.
- 4.3 These important industrial specialisms are one of the county's key strengths. However, the high degree of geographic concentration is also a potential challenge. Outside of the Carlisle, Kendal and Penrith areas, we have relatively few areas with a really diversified economic base. In two parts of Cumbria the economy is heavily dependent not just on one sector but one employer:
- Barrow is especially dependent on the shipyards of BAE Systems. This is currently positive news largely linked to the Dreadnought programme with over 7,000 staff now employed there;
 - Copeland is even more reliant on the nuclear sector and Sellafield Ltd, where in the medium to long term the workforce is set to decline, with estimated 60% of Copeland's GVA currently dependant on Sellafield¹⁴.
- 4.4 Many of our rural areas, especially in the Lake District National Park and parts of the North Pennines, are almost entirely dependent on the tourism economy and land based industries. All these economies and their populations, especially young people seeking to enter work, are therefore vulnerable to changes in the fortunes of the main employer or sector.

Figure 4.1: Importance and specialisms of Cumbria's sectors, 2017



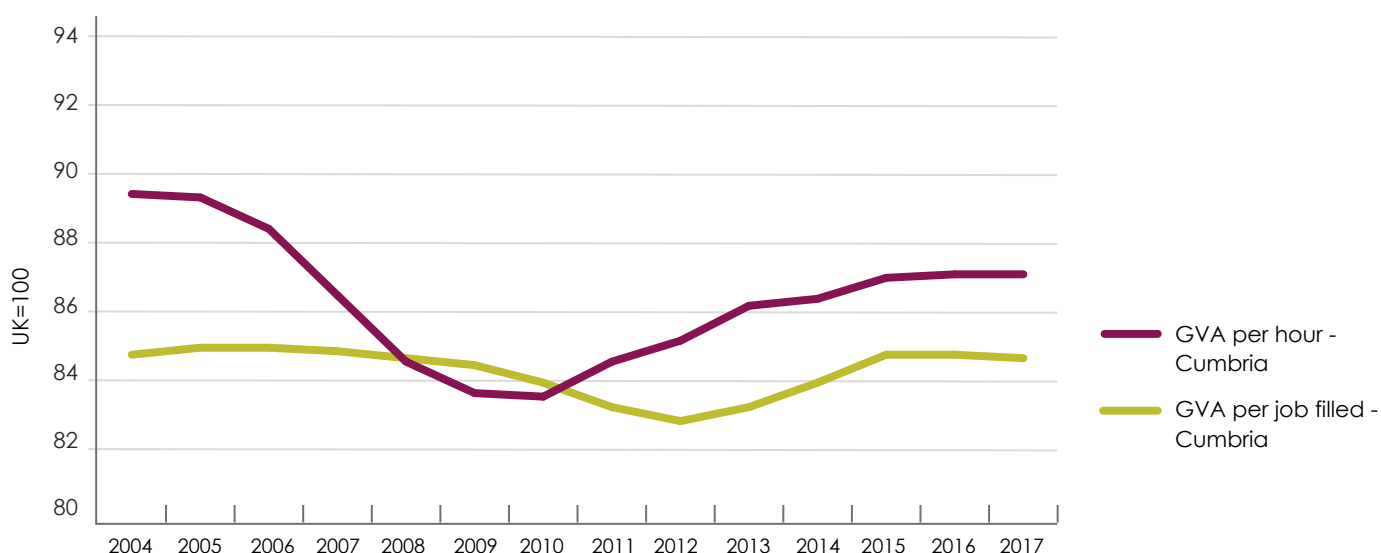
¹⁴ The Economic Impact of Sellafield, June 2017, Oxford Economics

4.5 As well as Cumbria's strengths, the analysis for the LIS has identified the **low shares both relatively and absolutely of key private sector service activities** – most noticeably ICT and financial services and also professional and scientific activity.

Cumbria's productivity performance

4.6 At the heart of the national Industrial Strategy is the aim to improve the UK's productivity performance, which has been lagging behind our international competitors. How at present does Cumbria fair in terms of productivity? Our productivity can best be described as "low to middle ranking" in a national context. The latest comparative data available shows that we fall in the middle third of LEP areas in terms of productivity measured per hour worked and per job filled. On both measures our overall productivity levels as measured by GVA are significantly below the current UK average (by around 13% per hour worked or £29.3 compared to £33.6 and 15% per job filled or £46,000 compared to £54,000).

Figure 4.2: Cumbria's overall relative productivity performance, 2004 to 2017



Source: ONS Balanced GVA measure

4.7 Our productivity performance is explained by a combination of factors:

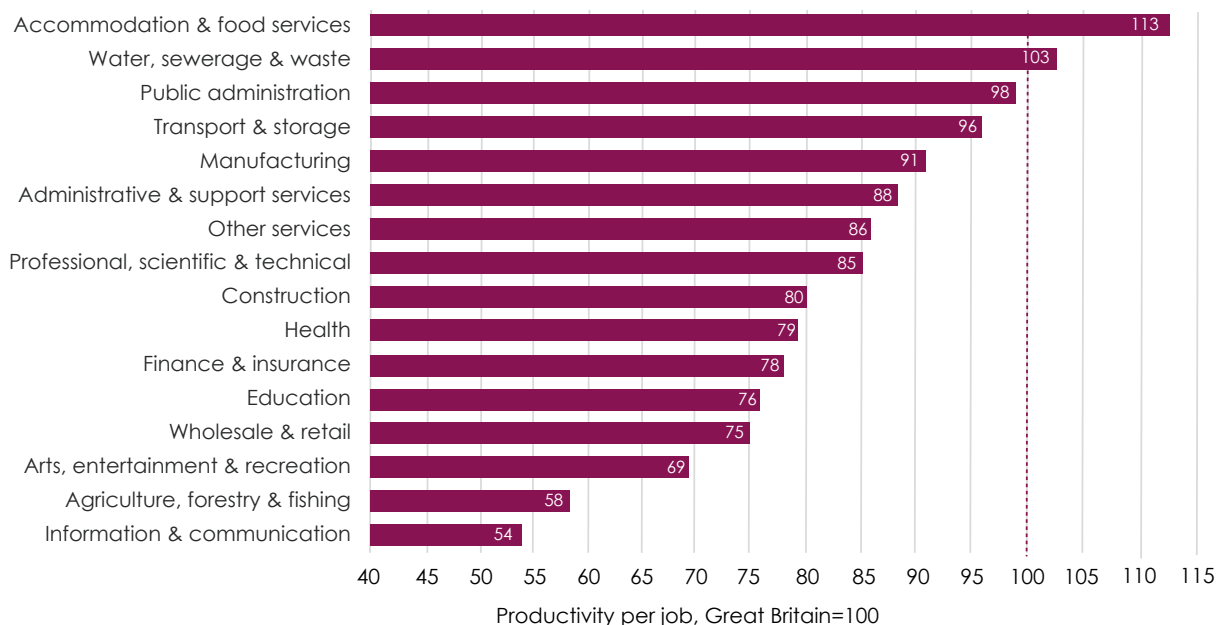
- The overall **structure** of our £12 billion economy is a key factor. We have a low share in the most highly productive service sectors (IT/digital and financial services) and high shares in some sectors that have low GVA per job (accommodation and food services and agriculture¹⁵). Overall, our broad industrial structure contributes to our lower than average productivity and **accounts for about two fifths of the difference from the UK average**¹⁶.
- Our productivity relative to the national average within each sectors varies widely, but in most cases is below national levels (see Figure 3.3). Much of the difference is accounted for by the **type of economic activity** that takes place within our sectors.

¹⁵ The GVA for agriculture excludes subsidies that make up an important share of farm incomes

¹⁶ Our overall GVA would be around 8% higher (around £800 million) if we have the same share of jobs by sector as the UK average, but the GVA per job in each sector remained at the Cumbrian average

- Overall, if the productivity performance (per job filled) in each sector in Cumbria equalled the national average for that sector then our overall GVA **would be about 16% higher (or £1.7 billion)**.
- 4.8 At a national level, economists believe that part of the UK's productivity problem is caused by a "long tail" of firms within many sectors whose productivity performance is relatively low. There is no reason to expect such variations will not also apply to Cumbria. The evidence base review indicates that with firm-level performance - on innovation, leadership and management - there is evidence of best in class in Cumbria. However, evidence suggests that in proportional terms there is likely to be a large tail of less innovative or less well-managed firms in Cumbria and certainly fewer faster growing firms.
- 4.9 Finally, national economic analysis suggests that there are significant "economies of agglomeration" – it is easier for firms to be more productive in larger urban areas with large labour markets with good transport links that ensure a large and effectively functioning labour market. This is a particular challenge for Cumbria given the small size and dispersed nature of our economy and population.
- 4.10 Our overall conclusion is that **Cumbria's overall productivity performance has been lagging behind other areas and there is significant scope for improvement**. The challenging changes in our overall labour supply make improving productivity all the more important in Cumbria.

Figure 4.3: Cumbria's overall relative productivity performance by sector, GVA per job filled, 2017



Source: analysis of ONS data; based on comparison of GVA per job filled (however, the jobs are those measured by BRES and exclude the self-employed). Note: method of calculation produces a different estimate of relative GVA per job filled from the ONS aggregate estimates as this factors in self-employment etc (20% lower compared to 15% lower using ONS overall data)

Key economic performance metrics

- 4.11 As well as overall productivity we have reviewed available data on other measures of economic performance in terms of population, the labour market, enterprise and business performance.
- 4.12 The summary analysis based on the detailed research carried out tells us that Cumbria overall:
- Has a very tight labour market with a particularly high employment rate and low unemployment rate. This is no surprise given that population has been declining overall and the numbers of working age have been declining rapidly over the last 10 years (by 20,000 or 6%).
 - Wage levels in Cumbria are relatively high overall but there is a complex picture lying behind this with several sectors and parts of Cumbria with low wages.
 - There is a particularly low business start-up rate in Cumbria; indeed the county was one of the few areas in England where business births were exceeded by deaths in 2016.
 - Finally, an often used proxy for the competitiveness of an economy is the % of adults with degree level or higher skills (NVQ4 qualifications are often taken as a proxy); Cumbria stands out as having both a low % of its adults qualified to higher level and also a low absolute number (who are also scattered around the county).
- 4.13 These metrics vary considerably across Cumbria. The overall picture of relatively high wages masks wide variations and is to a significant degree related to the high wages associated with the nuclear industry (in Copeland) and shipbuilding (in Barrow¹⁷).
- 4.14 Other parts of Cumbria, that rely more on the tourism sector, transport activity, food manufacturing and the rural economy, have lower wage levels, with incomes from self-employment also tending to be lower. In contrast household incomes (and house prices), which are less directly linked to economic performance, are higher in the eastern parts of the county, which is likely to reflect the higher levels of wealth and well-off retirees in these areas. There is therefore a major mismatch between levels of wages and house prices.

Inclusive growth and well-being

- 4.15 GVA simply measures the overall size of our economy as measured by standard economic metrics, but there is increasing recognition nationally that economic growth needs to be **more inclusive**. In other words it is not just about the overall size and productivity levels of our economy, but it is about ensuring prosperity is shared more widely across the whole population. There is no one correct way of measuring inclusive growth.
- 4.16 Specific concerns about the degree of inclusivity in our past economic growth are:
- The serious and stubbornly static **concentrations of workless households** and adults with low skills and poor health in parts of Cumbria. Our 25,000 workless households, is 15.3% of all households, is just above the current national rate of 14.5%. However, crucially, these households are very spatially concentrated in Barrow, some of the West Coast towns and in parts of Carlisle. Furthermore, the concentration are also generally in those parts of Cumbria with the strongest manufacturing sector and highest wages and, in the case of Barrow, faster rate of recent economic growth.
 - Concerning rates of **youth unemployment** in these same areas.
 - Low **wages** and **very low household incomes** in many parts of the county

¹⁷ Indeed Barrow currently has one the highest average earnings levels outside London and the South East

- There is a particularly acute **affordability problem** in those parts of Cumbria where there are high house prices as a result of retirees and second home owners (Lake District National and Yorkshire Dales Park, and much of the rest of South Lakeland and Eden districts).
- Recent work by the Cumbria Community Foundation - Cumbria Revealed - also identified the problems of mental health, child poverty and fuel poverty

4.17 Although Cumbria has its challenges with inclusive growth, it is worth noting that overall at a county level and for each district we have **above average levels of well-being** (happiness, life satisfaction, life worthwhile) and below average levels of anxiety¹⁸.

4.18 Linked to this, Cumbria benefits from particularly strong **social capital** - the glue that binds our communities and helps in the delivery of important services. The strength of the community and county-wide response to major shocks such as flooding and Foot and Mouth Disease has been noteworthy. There is a strong sense of 'belonging' in many of our local areas. This is of course not universal and there are real challenges in some of our communities, nevertheless this sense of community, strong base of willing volunteers and potential support activity that is not measured by GVA is a real strength to build upon.

Our wider contribution to the UK's natural capital

4.19 The national Industrial Strategy focuses on productivity as measured by Gross Value Added. However, as acknowledged in the 25 Year Environment Plan, investing in the environment "will help boost the productivity by enhancing our natural capital – the air, water, soil and ecosystems that support all forms of life – since this is an essential basis for economic growth and productivity over the long term". Government is now fully committed to the concept of sustaining and enhancing the **UK's natural capital**. Indeed this philosophy is at the heart of the government's proposed new regime for supporting sustainable land management. No longer will subsidies be paid to farmers for production, rather payments will be made for how land is managed to sustain and improve public goods¹⁹.

4.20 Cumbria has an abundance of natural assets supporting our natural capital in our landscapes and recreation areas, our water resources, our marine and coastal resources and our forests. The most recent estimate is that the UK's overall value of natural capital is some £760 billion in 2015, of this some £300 billion (or 40%) is estimated to be generated via recreation services. These estimates are still at a developmental stage but indicate the scale of the importance of natural capital. The detailed estimates are not available at the level of Cumbria, but given that Cumbria accounts for 5% of England's land area and many of its most precious landscapes, the natural capital of Cumbria is clearly very significant. There is therefore a need to ensure the natural environmental assets in Cumbria are maintained and sustained. Cumbria is very keen to play its part in quantifying the value of this and seeking new approaches to securing investment to maintain and enhance our natural capital.

Policy Ask 1: CLEP to work with Defra and BEIS to trial and test the development of practical natural capital payment and investment plans with Cumbria as the testbed; to develop Cumbria as the UK's first "**Natural Capital Innovation Zone**" for integrated, place-based and locally-led initiatives that contribute to the delivery of both the Industrial Strategy and the 25-Year Environment Plan.

¹⁸ Headline estimates of personal well-being from the Annual Population Survey (APS): by counties, local and unitary authorities, year ending March 2012 to year ending March 2017

¹⁹ Public goods include natural capital and the benefits they provide but also include, for example, health and wellbeing (which could deliver improved productivity), cultural heritage, public access, understanding of nature and enjoyment)

Where is Cumbria's economy heading?

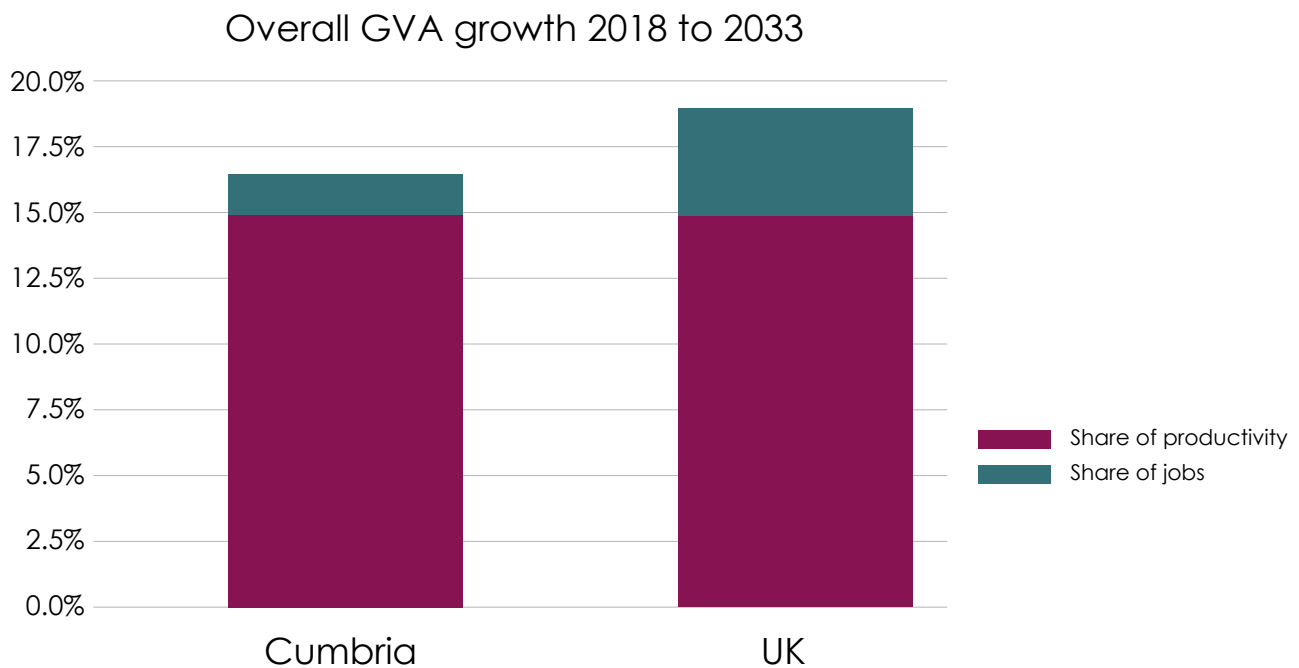
Our labour supply is projected to decline in the absence of action

- 4.21 Cumbria has seen its overall population and particularly its working age population decline sharply over the last decade. It is the only LEP area to have seen its population fall. We have reviewed the latest official population projections and coupled them with national forecast of economic activity rates as produced by the Office for Budgetary Responsibility (OBR). The baseline projection is for the available workforce living in Cumbria to fall by around 11,000 (5%) to 2028 and by 17,000 (7%) to 2033.
- 4.22 This apparent challenge is based on projecting forward recent trends that may not continue. Recent increases in housebuilding rates in Cumbria suggest that population decline could be reversing. Nevertheless, the potential for our labour supply to contract significantly over the next 10 to 15 years, with the consequent implications for our labour market and economy, is a major challenge to address.

The baseline economic forecast are for modest growth in line with national averages, constrained by labour supply...

- 4.23 Forecasting the path of Cumbria's economy is particularly difficult for two reasons: many of our sectors are dependent on **key external decisions** on public policy (energy or defence) or on trade regulations and tariffs (farming); whilst the impacts of **potential new developments** are large relative to the size of our economy (such as new offshore oil and gas and wind power generation). Nevertheless, with these caveats, we summarise below the latest **baseline forecasts** for Cumbria.
- 4.24 These forecasts suggest that over the next 15 years (2018 to 2033):
- GVA will grow by around 1.0 % per annum compared to 1.2% per annum for the UK. These represent rates of growth that are considerably lower than past long term rates of growth and reflect a less positive view about the UK economy (in part because of Brexit, but also because of the UK's recent poorer productivity performance)²⁰.
 - There will be a marginal overall increase of a few thousand in employment (1.4%) over the 15 year period 2018 to 2033. The forecast average annual rate of growth of employment at 0.1% per annum is much smaller than that forecast for the UK as a whole over this period (0.3% pa).
 - Productivity will grow by 0.9% per annum, which is almost exactly the same as for the UK.

²⁰ These long term UK growth forecasts are significantly lower than those produced by many other forecasters. For instance the Office of budget Responsibility central long term forecasts produced in July 2018 was for UK GDP growth to average 1.6% pa from 2017-18 to 2027-28 and then return to it long term trend of 2.25 pa.

Figure 4.4: Cumbria's baseline economic forecasts, 2018

Source: Cumbria Economic Intelligence Observatory, Cambridge Econometrics

But there are considerable future uncertainties ahead...

4.25 These forecasts do not explicitly factor in the potential impacts of Brexit on the Cumbrian economy (but do take a view at a UK level of potential impacts of Brexit). Recent work carried out for the LEP has identified those parts of our economy that are most vulnerable to the potential impacts of Brexit on trade, labour and other factors²¹.

4.26 As well as overall impacts on the UK economy (both positive and negative) and so therefore Cumbria, Brexit is likely to have some specific major sectoral impacts in Cumbria:

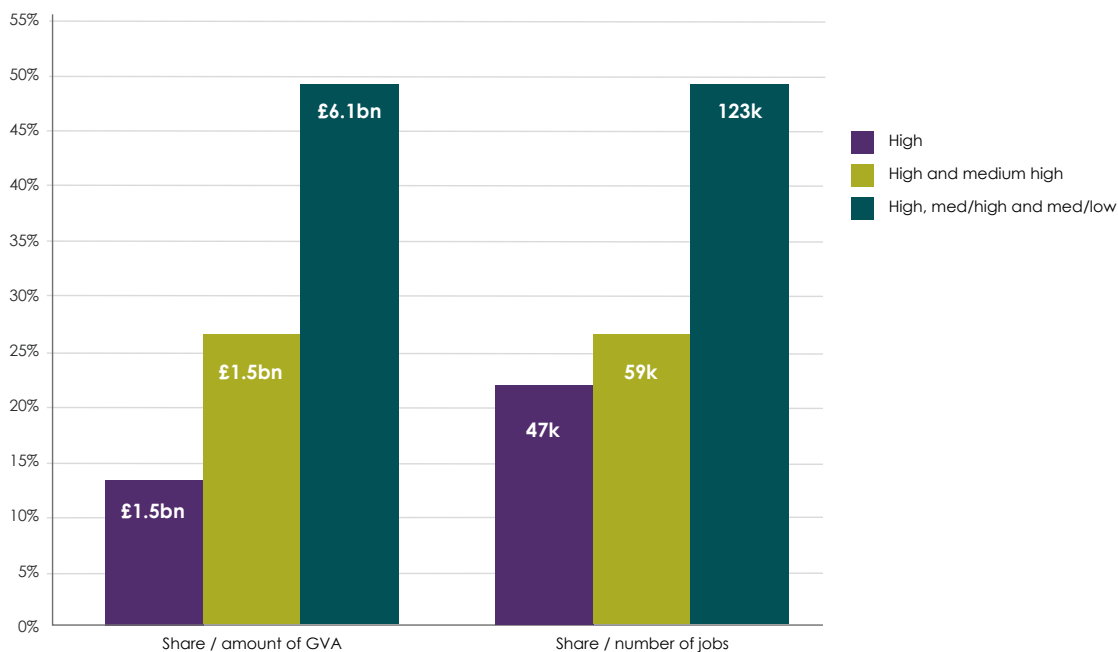
- First, some sectors rely heavily on **migrant labour** (particularly our important tourism sector especially in the Lake District, food manufacturing/processing and also the healthcare sector). Given the overall low rates of unemployment, finding alternative labour post-Brexit could be a major challenge in these sectors. The latest proposed government policy post Brexit is likely to make it much harder to recruit international migrant labour to fill skills gaps in our tourism sector.
- Second, our **farming** sector's fortunes have been inexorably linked to markets in the EU, the EU regulatory system and to the farm subsidy payments system. The ability to continue to access these markets and the shape of post-Brexit UK farm and agri-environment support will be particularly important to our rural economy (although the impact of labour constraints is not likely to be as significant as at a UK level).

4.27 The three sectors likely to be most affected are farming, tourism and food manufacturing (in the case of the last two because of the importance of EU labour). These account for about 13% of Cumbria's GVA (£1.5 billion) but 19% of jobs (around 50,000).

²¹ Cumbria Local Enterprise Partnership, Brexit Analysis, December 2018

- 4.28 The next most affected part of the economy is a range of manufacturing sectors where there is a substantial proportion of sales to the EU and important use of EU supplies (overall 10% of GVA, £1.1 billion and 5% of jobs or 12,000 often well-paid jobs). Some parts of our manufacturing base linked to nuclear and shipbuilding are, however, relatively insulated against the direct effects of Brexit.
- 4.29 There is a third set of sectors where the main impact of Brexit is likely to be on the ability to attract and retain staff (health, construction and transport/logistics). Where businesses already face challenges in recruiting and Brexit is likely to exacerbate this and lead to more competition from across the UK for staff. Here the impact of Brexit is simply to add to a challenge that already existed and is growing anyway. These sectors are large employers (around 70,000 jobs) and account for a large proportion of the economy.

Figure 4.5: Cumbria's potential exposure to Brexit



- 4.30 Brexit is not the only source of uncertainty that lies ahead. Cumbria's economy is particularly dependent on government policy towards:

- **Energy** – both the nuclear sector and renewables. The recent decision by Toshiba to wind down Nugen and its plans to develop major nuclear generation capacity at Moorside was clearly disappointing. Government policy towards the funding of new nuclear is critical to the future of new nuclear investment in Cumbria as elsewhere. Moorside remains an excellent site for new nuclear generation and remains designated in the National Policy Statement for large scale (greater than 1GW) nuclear new build post-2025. Decisions on new license areas for energy will also impact on Cumbria.
- **Defence** – the commitment by government to replace the UK's nuclear deterrent and start the new £40 billion nuclear Dreadnought class submarines programme has provided a welcome boost to the economy of Barrow and Furness.
- **Farming** – this sector is very sensitive to the precise scope of the roll-out over the next 8 years of the proposed UK replacement to the current EU systems of farm subsidies and agri-environmental payments, as outlined in the Agricultural Bill.
- **Migration** – given the tight labour market in Cumbria and projections of a contracting labour force, the nature of the post-Brexit migration regime for the UK will have particularly significant impacts on our tourism and food manufacturing sectors as well as sectors such as health and social care.

- 4.31 There are several potential large scale investment projects which, if they happen, will have significant implications for parts of our economy over the next 10 years or beyond including:
- The future use for the Moorside nuclear site as intended for a major new nuclear build.
 - Other smaller scale new nuclear developments such as the design and development of Small Modular Reactors.
 - The potential geological disposal facility (GDF) for nuclear waste. Whether this is located in Cumbria or elsewhere it will have major implications for infrastructure and investment.
 - New tidal generation opportunities in the Solway and Morecambe Bay (including potential associated connectivity improvements).
 - Using Barrow's facilities for gas storage and LNG import in Morecambe Bay.
 - A £165 million project by West Cumbria Mining Ltd, supporting over 500 jobs to create a coking coal mine off the coast near Whitehaven solely for the steel industry.
- 4.32 On top of these economic uncertainties, there is also the future impact of **climate change** on Cumbria with its consequent impacts on issues such as flooding where there is a need for mitigation and adaptation.

Drawing it together: the strategic imperatives

- 4.33 The review of the evidence base summarised in this section has identified the **strategic imperatives** where a strong response is needed to maximise our economic potential.

Cumbria's Strategic Imperatives – to address in our LIS

1)	Patchy and underperforming levels of productivity with significant productivity gaps on all measures caused by our sectoral mix and often lower than average rates of productivity within sectors.
2)	Declining working age population – the slowest growing population of any LEP area, with a projection of a significant reduction in the workforce over the next 10 years.
3)	Thin pool of higher level skills – a small number of highly qualified residents spread across a large geographical area.
4)	An innovation 'gap' and weak ecosystem – we have world leading innovation in many firms and sectors yet there is an innovation "deficit" across the wider economy and a patchy innovation ecosystem.
5)	Low rate of business start-ups and enterprise – a start-up rate less than two thirds of the England average, yet performs well on other enterprise measures.
6)	Few faster growing firms – in both absolute and relative terms fewer businesses that grow faster.
7)	Serious cold spots of worklessness and deprivation – high levels of employment, low unemployment and average wages are almost at the national level. However, higher than national levels of workless families and deprivation in a number of locations, predominantly the West Coast, Barrow and some areas of Carlisle.
8)	Over-dependent parts of our economy: several of our areas are heavily dependent on one or two sectors and in some instances one major employer.
9)	Infrastructure connectivity challenge – better connectivity in a physical and digital sense is needed to meet the needs of our dispersed population, labour force and economy and provide better access to markets.



5. Promoting Cumbria as a great place

Major opportunities and challenges

- 5.1 A strong theme of the LIS is the importance of better promoting and selling Cumbria. There is already considerable marketing activity promoting Cumbria (and especially the Lake District) as a visitor destination. However, given the challenge we face with a declining working age population we need to **promote Cumbria as a great place to live, work and invest**.
- 5.2 There has already been activity by different partners, including individuals employers, the NHS and others to sell specific career opportunities to people who could move into the county to fill these positions. This includes the 'Chose Cumbria' web site supported by major public and private employers in Cumbria. There has been excellent work as a result of the Great Places Lakes and Dales initiative we can build upon in marketing to young people.
- 5.3 However, outside the visitor economy, activity in promoting Cumbria has lacked coherence and a consistent message and campaign.
- 5.4 Current perceptions of Cumbria alternate between large chimneys, dockyards and old manufacturing plants to a beautiful landscape devoid of any economic activity outside of tourism and farming. In practice, Cumbria has a much more nuanced and rounded offer - mixing career opportunities coupled with a fabulous quality of life.
- 5.5 The LEP and its partners are therefore working on a new branding proposition and marketing campaign targeted at the following audiences:
 - Young Cumbrian's who have left the area or are leaving the area for university but might be thinking of returning

- People of family age seeking a better quality of life currently living in larger, more congested areas of Cumbria - often people with past connections to Cumbria as visitors
 - People with a particular passion for natural capital and beautiful and affordable locations and/or an active lifestyle offer
 - Entrepreneurs considering setting up new businesses.
- 5.6 Some of the reasons people do not want to stay or move to Cumbria are based on misperceptions or a lack of understanding on Cumbria's offer for example, how accessible many parts are to big cities for instance, or the wide range of major firms with serious career opportunities. However, some of the perceptions are based on realities, so there also needs to be action to deal with some of the factors making Cumbria a less attractive destination for re-location. These are covered in Sections 9 on Infrastructure and Section 10 on Place.
- 5.7 The work to develop the new promotional propositions is underway around themes such as:
- "Closer than you think"
 - "Surprising Cumbria"
 - Beautiful and affordable
 - The Place to grow.

Key Priorities for Action: Promoting Cumbria

Relevant strategic objectives

- Growing and using our talent pool
- Exploiting under developed economic opportunities

- 5.8 We recognise that addressing the **looming shortage of talent** across Cumbria requires joined up solutions. There are four priorities for action which work across the five foundations:
- 1) Promoting Cumbria Priority 1: Develop **Brand Cumbria** to effectively market Cumbria's enviable offer. Develop a shared brand and improved approach to place marketing to attract people to live and work in Cumbria, building on Choose Cumbria and Cumbria Tourism and the work of employers to attract talent
 - 2) Promoting Cumbria Priority 2: develop **soft landing packages** for those re-locating to Cumbria
 - 3) Promoting Cumbria Priority 3: promoting **Cumbria on the back of our enviable natural capital and beautiful environment**: to attract talented workers and entrepreneurs who seek the outdoor lifestyle and have skills in the digital, creative and other sectors.
- 5.9 The final priority is about promoting Cumbria for inward investment. We describe our priorities linked to re-investment by our multinational and international businesses in the business environment section. However, we need to up our game in selling Cumbria more generally for inward investment. So Priority 4 is about improving the **inward investment marketing** of Cumbria.



6. Innovation and Ideas

Major opportunities and challenges

Summary: major concentration of innovation assets in nuclear sector and energy; limited innovation assets elsewhere outside key businesses; low rates of access to external innovation support; overall weak innovation eco-system (but with examples of really excellent firms and activity).

6.1 Cumbria has some real excellence in innovation especially in our manufacturing sector. Key strengths include:

- A nationally important concentration of **civil nuclear innovation assets** (see Figure 6.1), with a large cluster of skilled nuclear engineering workers, accounting for about 25% of the UK's nuclear workforce. World leading research and innovation in nuclear de-commissioning/ environmental clean-up, re-processing, waste management and the use of new technologies in hazardous environments (for instance the use of remote operated vehicles in nuclear de-commissioning) takes place in Cumbria.
- Several firms have also developed nuclear based innovations that have been sold throughout the world. Sellafield is, via its Gamechangers programme, engaging with SMEs who can help devise solutions to improve the efficiency and cost effectiveness of de-commissioning work.
- Expertise in nuclear submarine building linked to BAE systems, who are leading on the development of virtual ship technology for the design of new submarines and ships.
- A range of manufacturing firms outside the nuclear sector who are involved in the development and continued innovation of new products to ensure they remain globally competitive – from plastics and polymers at Innovia in Wigton, to LED technology at Marl near Ulverston, to advanced paper products with James Cropper in Kendal.

- The research activities of the University of Cumbria focus on a range of areas including learning and education and on sustainability and sustainable leadership. The Privy Council has recently awarded the University research degree awarding powers on the basis of the strength and depth of research expertise and practice.
- Although not physically located in Cumbria, Lancaster University sits on the county's doorstep and has global research strengths in environmental management, computing, engineering and health technologies. The new £40m Health Innovation Campus at the University will further strengthen its expertise in this area and provide a platform for innovation activity. Lancaster University and the University of Cumbria work closely together on a number of innovation programmes. UCLAN has recently established a School of Remote and Rural medicine in West Cumbria.
- Cumbria is an area for demonstration projects for new approaches to environmental and land management and also in the application of digital technologies in health.
- We also have innovative communities and community groups such as Cybermoor in Alston that are developing solutions for often remote rural areas.

Case study Createc, Cockermouth Winner of Queen's Award for Enterprise for Exporting 2018

The radiation imaging specialist is helping experts at the Japan's Fukushima nuclear plant to assess the extent of the damage caused in 2011, when a tsunami following an earthquake disabled the power supply and cooling of three reactors at the site. Createc provided equipment to build up a 3D model of radiation levels inside the facility.

Createc is a multi-award-winning technology development company that solves challenging industrial problems using emerging technology in sensing, robotics and AI. Originally a spin-out from fellow Cumbrian nuclear SME REACT Engineering, Createc has been remarkably successful in developing global export business for its technologies. 100% of Createc's customers are out-of-county, and over 70% of its revenue comes from outside Europe. Through its policy of local employment and local spending, Createc injects over £1M annually into the Cumbrian economy.

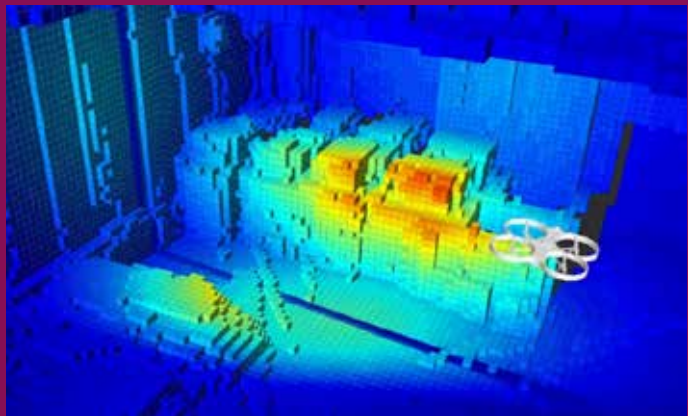
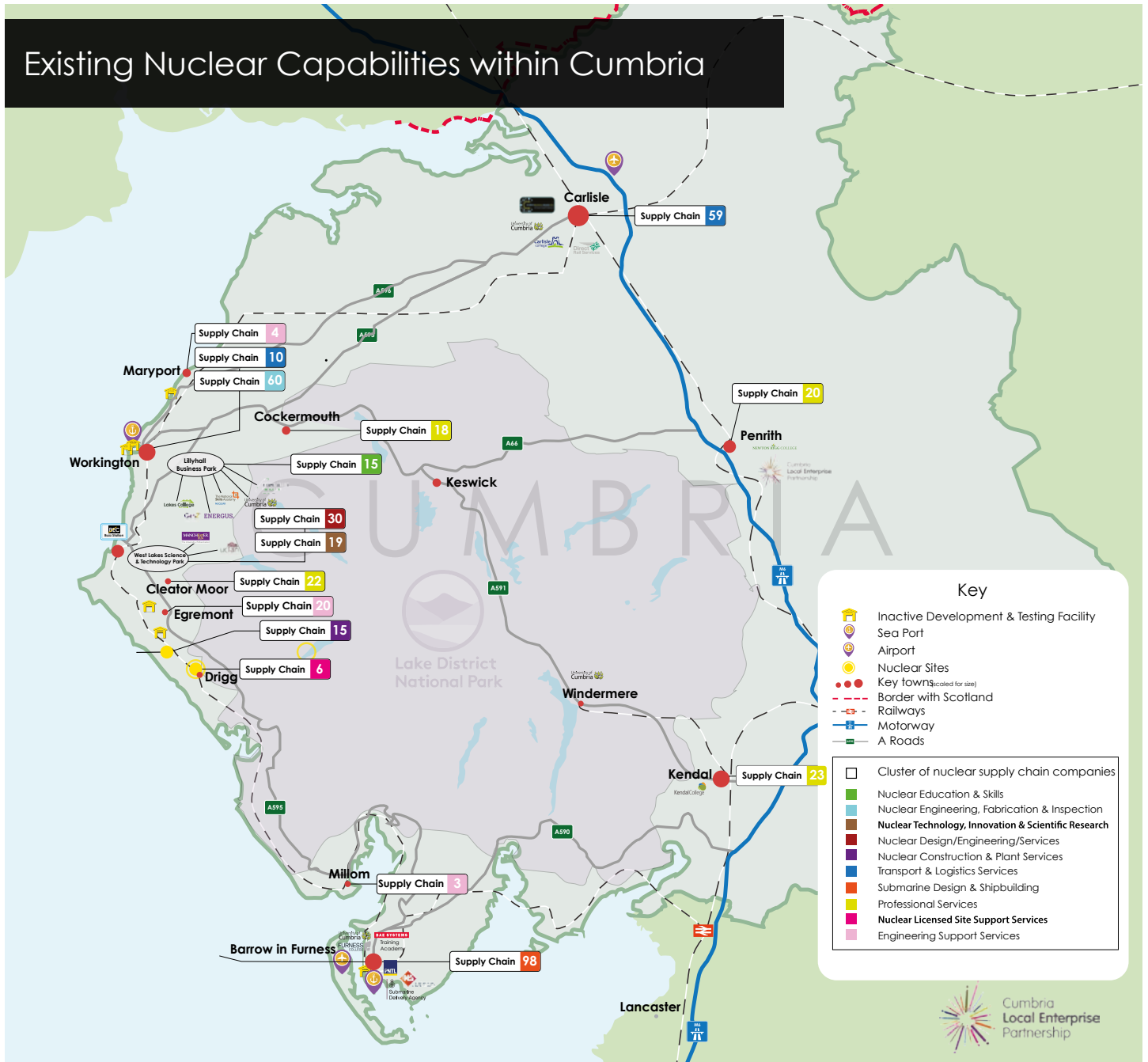


Figure 6.1: Civil nuclear sector innovation assets and opportunities in Cumbria



6.2 Even though there many examples of excellence in innovation, on a wide range of metrics the evidence is that rates of recorded innovation are low. For instance, the rate of applications by Cumbria firms for UK innovation grants is low and Cumbria has the lowest recorded share of all employment in “science and technology” sectors of any LEP area or just 5% (excluding health/ life sciences) compared to the average of 11%. In absolute terms the amount of employment and businesses engaged in these broadly defined technology based sectors is particularly low. Cumbria also recorded one of the lowest rates of patent applications per head of population in England.

- 6.3 These metrics are blunt as measures of innovation activity and have several limitations (innovation is recorded by patents at head office, R&D spend does not cover much of the product innovation that might for instance be key in the tourism or food and drink sector). However, the message is that, on most measures, the absolute and relative levels of innovation activity are low in Cumbria. With the notable exception of the nuclear sector and the firms that are innovative active, there is a **limited innovation “ecosystem”** due to the small and dispersed nature of economy and businesses across Cumbria. In other words, the nature of our economy, spread across a large area and with innovation taking place in small isolated islands means that the linkages between those engaged in innovation within Cumbria are limited.

Case study REACT Engineering, Cleator Moor

Leader in developing innovative and robust engineering and management solutions to address the nuclear decommissioning, waste management and asset care challenges faced by the nuclear industry.

REACT Engineering is an innovative engineering and project management consultancy based in Cleator Moor. Built on providing smart solutions to some of the nuclear industry's toughest problems, the business is passionate about making things happen and enabling its people to be the best they can be. The REACT Foundation was created in 2004, with the objectives of raising the aspirations of young people from the area and inspiring the next generation of scientists and engineers. REACT has also spawned several successful spin-out businesses, including Create Technologies (Createc) and Hidef Aerial Surveying. Now in its 25th year, REACT's future strategy involves continuing to support delivery of the Sellafield clean-up mission, whilst looking to develop and export Cumbrian grown skills to new clients and new sectors.



Key Priorities for Action: Innovation and Ideas

Relevant strategic objectives

- Capitalising on our innovation and enterprise potential
- Exploiting under developed economic opportunities

- 6.4 There are a number of opportunities to better exploit the opportunities available to us. At this stage we are seeking to build on and extend existing activity to address Cumbria's fundamental challenges of patchy innovation eco-system in a remote and largely rural economy. The actions have been developed in part in response to the excellent work in the innovation eco-system in the North. There are five policy priorities for ideas, which collectively will help increase rates of innovation and strengthen our innovation eco-system.

Ideas Priority 1: Anchor more R&D activity

- 6.5 There is potential to better exploit the opportunities that currently exist and increase the R&D activity taking place in Cumbria. These include the proposed Cumbria Nuclear Research Innovation Facility (a potential collaborative venture between NNL and Manchester University expanding on the current suite of particle accelerators and gamma irradiator at the Dalton Cumbria Facility).

- 6.6 Support the strengthening of innovation activity across the nuclear sector (civil and defence) and in applications outside the nuclear sector - building on the existing strengths (and potentially linking to the work of the Catapults and other innovation funds). Activity here also needs to be linked to diversification in West Cumbria, particularly Copeland, and in Furness on the business and client base of the economy.

Ideas Priority 2: Be the testbed for new ideas

- 6.7 Cumbria faces some acute challenges alongside opportunities, presented by an ageing population. There are already areas where interesting national work is taking place, with previous and future test bed and innovation pilot activity - much of which links the national Industrial Strategy four Grand Challenges - including:
- Digital healthcare technologies (the Lancashire and Cumbria Innovation Alliance (LCIA) Test Bed programme)
 - A range of pilots assessing the scope for different ways of valuing and paying for eco-system services linked to Cumbria's natural capital to improve environmental and social outcomes (see below); these could be developed further by using Cumbria as a **Natural Capital Innovation Zone**
 - Lake District National Park is part of a feasibility study to explore new technologies which will allow people to access the National Park in an environmentally sustainable way
 - Cumbria is part of a 5G Rural Integrated Testbed involving Lancaster University.

Natural Capital Innovation

The Cumbria Catchment Pioneer is piloting delivery of the Government's 25 Year Environment Plan and is building on Cumbria's reputation as a test bed for natural capital innovation. Cumbria Pioneer partner organisations, led by the Environment Agency and Lake District National Park Authority are working with Defra, and land managers in the upper Derwent and the Waver Wampool catchments to test a new Environmental Land Management System based on provision of "public goods" from land management.

The work aims to develop innovative catchment and farm-scale plans that will enable delivery of multiple public benefits by maintaining and enhancing the natural, cultural, social, and economic capital of rural Cumbria. This project and the Pioneer build on previous innovative work in Cumbria such as the Bassenthwaite Ecosystem Services Pilot (2008-2011), and the Lake District Ecosystem Accounting Pilot (2015).



6.8 The proposed activities would be:

- First, working with companies, HEIs, national research bodies and government to promote Cumbria as an ideal national test bed for application of ideas, especially in a rural and remote context. In doing this ensuring that there are links to, and opportunities for, Cumbrian businesses and experts to engage and thereby encourage innovation in our business base. We are particularly keen that Universities linked to or based in Cumbria (University of Cumbria, Lancaster University, UCLAN and Manchester University) are actively involved.
- Launching an annual **Cumbria Challenge Fund** aimed at novel ideas or applications (especially in advanced manufacturing, land management, agriculture, tourism and outdoors sectors) linked to the roll out of new technologies such as 5G or the Digital Allerdale network. This fund and programme would be aimed at SMEs either independently or in collaboration with Universities and larger firms.

Potential areas for Cumbria Challenge fund

- Sustainable visitor management
- Sustainable visitor travel
- Capturing payments from visitors for ecosystems services
- Increasing productivity in the visitor economy

Ideas Priority 3: Better commercialise our ideas

6.9 Whilst having examples of world-leading R&D and innovation in many cases the mechanisms do not exist to fully exploit this in other applications (e.g. in entirely new sectors, such as medical). Therefore opportunity exists to try and build on this but it requires a combination of push (ability and inclination of those involved to seek alternative application) and pull (business and other seeking to commercialise R&D). We need to support new ways of extending and capturing applications of new ideas generated. For instance, there may be an opportunity to use the existing waste at Sellafield and Drigg in Cumbria to develop new radiation medical health therapies, and production of medical isotopes to address the global shortage of certain radioactive isotopes. Also Sellafield is a national centre for cyber security and there is scope to find ways of spinning this expertise.

Policy Ask 2: *Currently, there is no government endorsed body with responsibility for the entire nuclear life cycle from new build to decommissioning and disposal. The lack of such a mandated organisation together with government's developer-led model inhibits the development of new nuclear with recent decisions in relation to Moorside and Wylfa being examples of this. It would therefore be helpful for government to reconsider the developer-led approach and to formally mandate an organisation to undertake this role by creating a new whole-cycle organisation or extending the remit of the Nuclear Decommissioning Authority.*

Ideas Priority 4: Innovative Cumbria programme

- 6.10 The previous three priority areas are about building up R&D capacity or positioning Cumbria as place for innovation. This needs to be supported by **direct programme of activity** working with our business base to build up our innovation eco-system and to encourage more firms to become innovation focussed, active and outward looking – in the words of the recent CBI productivity report to become “magpies” rather than remain as “ostriches”²². This will involve:
- Business mentoring helping make firms “innovation ready” (in the same way that business can be supported to become “investment ready”) using the excellent under-utilised resource we have in Cumbria of current and retired business people, researchers and entrepreneurs.
 - Making the best/better use of the existing larger firms and SMEs who are engaged in innovative activity to share their experiences and the benefits with other SMEs in Cumbria – to support innovation focussed business networks. Our definition of innovation will deliberately be broadly drawn – it could be about processes and products as well as shiny new technology.
 - A new innovation-stimulation programme (subject to funding) to promote, facilitate, support and provide funding towards development of new technology based products and services. This would provide a lever to engage with businesses and encourage them to become innovation ready – this would build on existing ERDF supported programmes such as Cumbria Innovation Platforms (CUSP) and Eco-Innovation Cumbria²³.
- 6.11 Our creative industries sector has an important role in innovation. The need to combine creativity and technical skills is an important feature of successful innovation. We need to ensure Cumbria plays its part in the Creative Industries Sector Deal.

Ideas Priority 5: Identify opportunities for innovation in “clean growth”

- 6.12 It is critical that businesses and organisations seek opportunities and ideas from **outside** Cumbria by networking and collaboration given that the scope for local collaboration either with other businesses or centres of R&D is limited. This should be both regional (across the Northern Powerhouse area), national and international (with other areas and businesses operating in similar environments). An example is accessing Knowledge Transfer Partnerships (KTPs). The larger firms in Cumbria are already engaged in such activity, however smaller and medium sized firms are much less likely to have this outward orientation.
- 6.13 In the first instance there is scope for much greater links between Cumbria SMEs and the range of academic expertise in Lancaster University and other universities to increase the awareness of businesses with which there could be fruitful collaborations. The LEP is particularly keen to see this search for ideas to be focused on clean growth.

²²From Ostrich to Magpie: Increasing Business Take-Up of Proven Ideas and Technologies”, CBI, November 2017

²³ These are ERDF funded projects being delivered jointly by the University of Cumbria and Lancaster University. They support SMEs in Cumbria with innovation and have engaged with approximately 300 SMEs to date

Table 6.1 Cumbria's contribution to the UK Grand Challenges

Grand Challenge	Cumbria current innovation assets and activities	Opportunities in the future
Artificial Intelligence and data revolution	<ul style="list-style-type: none"> • Use of AI in BAE Systems' digital shipyard and supply chain • Use of remote robotic technologies in nuclear decommissioning sector • Applications being applied in the farming sector (eg using drones to monitor livestock and crops) • Data Science Institute at Lancaster University • Smart Parks: Bringing new technologies to national parks and urban greenspaces. A collaboration between the Lake District National Park Partnership and Lancaster University Connected Communities Research Lab 	<ul style="list-style-type: none"> • Test bed to become world leader in digital applications in dairy, livestock and hill farming • Use of the Internet of Things to manage visitor movement and impact (eg on footpaths) • Cumbria to be a location for test and trails using 5G technology in rural areas as a "SMART Rural" vanguard
Shift to green growth	<ul style="list-style-type: none"> • Cumbria has a unique cluster of expertise in the nuclear sector, especially in relation to nuclear clean-up and decommissioning, and nuclear powered submarine technology integration but also other aspects of nuclear engineering • Expertise in practical application of new thinking in land management and the practical development of natural capital approaches (building on pilot projects looking at natural capital approach to managing river catchments) • The experience of the Lake District's Carbon Budgeting approach introduced in 2010 • Lancaster University Global Centre for Eco-Innovation (and driver behind Clean Growth Science and Innovation Audit) • Businesses involved in innovative use of paper to reduce the environmental impact of packaging (James Cropper) 	<ul style="list-style-type: none"> • Continue to be at the forefront of civil and nuclear technology – potential location for trialling AMR and SMR nuclear technology • Potential location for major green energy projects including expansion of offshore wind and major tidal energy (Morecambe Bay/Solway Firth) • Increase investment in off-grid renewable energy schemes, energy from waste and battery storage
Shaping the future of mobility	<ul style="list-style-type: none"> • The Lake District National Park is part of a feasibility study to explore new technologies which will allow people to access the National Park in an environmentally sustainable way • Tests and trails of new vehicles at the M-Sport Estate at Dovenby 	<ul style="list-style-type: none"> • Application of new movement technologies in rural areas and town centres, especially in rural tourism areas: using the Lake District National Park as a test bed for innovation
Innovation to help meet the needs of an ageing society	<ul style="list-style-type: none"> • Work within the new Lancaster University Health Innovation Campus • Involved in Lancashire and Cumbria Innovation Alliance (LCIA) Test Bed programme • UCLan's National Centre For Remote and Rural Medicine is based in West Cumbria 	<ul style="list-style-type: none"> • Test bed for application of new technologies to provide health and care services in areas of low population density remote from hospitals



7. People and Skills

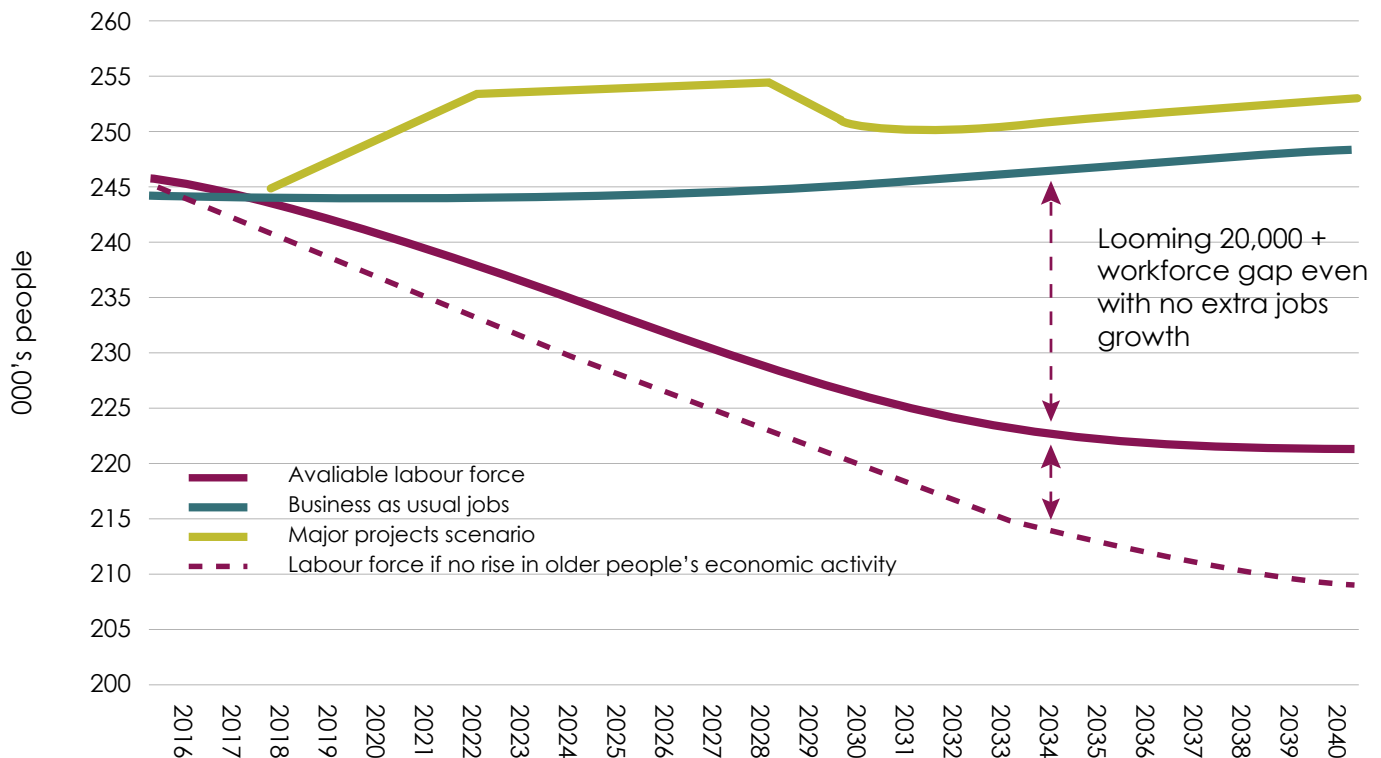
Major opportunities and challenges

With an ageing workforce driving an increasing need for replacement demand, Cumbria faces a challenging supply issue. This, combined with the need to increase higher level skills will require innovative responses to retain and strengthen the skills base across the county. Youth unemployment and concentrations of worklessness in some areas require targeted solutions. This can be delivered by the continued development of a skills system that responds to the needs of employers and residents (both current and future) and a skills offer that reflects the rapid changes to employment and sector skills needs.

Challenge 1: Our declining workforce

- 7.1 As already outlined, official government 2016-based population projections for Cumbria show that the rate of decline of people of working age in Cumbria is of a larger absolute and relative decline than any LEP area in England with expected changes in economic activity rate and baseline employment forecasts (see Figure 7.1).
- 7.2 This suggests a **looming workforce deficit of over 20,000 people** emerging over the next 10 to 15 years or so. This would be of an intensity and scale unique in England. The size of the gap may be mitigated by expected increases in economic participation rates by older people (over 60s and women in particular). However, this is not guaranteed and if this did not happen the gap would be even wider (of the order of 30,000). It is possible that the skills and workforce gaps could be compounded by the effect of Brexit in certain sectors such as food manufacturing and tourism.
- 7.3 In practice such a labour gap can never materialise; employers will respond by not expanding, by relocating functions out of Cumbria, or closing; some will successfully raise productivity to cope with the ever tightening labour market; others will seek to attract temporary or migrant labour from further afield where this is possible.

Figure 7.1: Forecast potential overall skills/workforce gap for Cumbria



Source: analysis by Cumbria LEP. Note: forecast labour force based on ONS 2016-based Sub-national Population Projections and the OBR's assumed changes in economic activity rates at a UK level, employment forecasts from Cambridge Econometrics in 2018 (adjusted to take account of known changes at BAE Systems and Sellafield)

7.4 Planning for future skills needs is further challenged by the uncertainties about the scale and/or timing of major investment projects, including future submarine and shipbuilding activity at BAE Systems in Barrow and the scale and pace of change at Sellafield as reprocessing work comes to an end there. When (or if) other major investments go ahead there will be further pressure on already limited labour supply in Cumbria requiring innovative solutions.

7.5 The challenge of a declining workforce is compounded by several factors:

- There is an **ageing workforce** in many sectors that will be retiring over the next 10 years - generating **strong replacement demand**. Work for the 2016 Cumbria Skills Investment Plan indicated that there could be over 65,000 jobs that will need to be filled in Cumbria between 2016 and 2021 as a result of replacement demand.
- Cumbria does not and cannot operate as a single labour market, therefore accessing the right workforce and supply of skills at a local level is more demanding. Travel to work distances and times are such that there is a north/south and east/west split in the labour market.

Challenge 2: The small size of our pool of higher level skills

7.6 Cumbria has a particularly small pool of higher level skills and we know that a strong element for replacement demand will be for higher level skills. Around 90,000 residents of Cumbria aged 16 to 64 have an NVQ Level 4 qualification or higher, this is the smallest absolute number of such highly qualified people of any LEP area. Our rate of workforce with higher qualifications at 31% is also one of the lowest in England.

- 7.7 Our employers are reporting an increased demand for higher-level skills and there are rapid changes in technology and working practices across all sectors requiring these. Therefore the need will become more pressing. It could be further compounded by the uncertainty about future immigration restrictions post Brexit, which apply to sectors such as tourism and food processing that are particularly dependent on EU labour and to the health sector.
- 7.8 In addition, the proportion of Cumbrian students, who leave for study and do not return is higher than average. The students who leave to study do so for subjects that are important to the Cumbrian economy such as STEM related subjects, medicine, agriculture and engineering.

Challenge 3: Developing the Future Workforce

- 7.9 Providing high quality education, training and support to young people will be critical to achieving the aims and ambitions of this strategy. This process starts in primary education and continues throughout their learning journey.
- 7.10 There is much to be positive about with the progress and attainment of young people across the county, which is at or often ahead of national averages. However, there are some specific challenges to address:
- The variation in attainment and progress across our schools and our geographies
 - The gap in progress and attainment between dis-advantaged and non-disadvantaged students that worsens during secondary school
 - The communication of careers and employment opportunities in the county to young people
 - Employers, as in other parts of the UK, report a mismatch between their needs (English, maths and interpersonal skills) and some of the school/college leavers that enter the labour market.

Challenge 4: A system to support for productivity, creativity and inclusive growth

- 7.11 Cumbria benefits from a responsive skills system built on effective partnerships between employers, Colleges, Higher Education Institutions, private training providers, schools, voluntary and community sector and other agencies. These partnerships provide a range of qualifications and skills that enable employers to access a skilled workforce and students to build their careers. However, the productivity challenge needs to be addressed and the economy needs to offer opportunities to all – inclusive growth. The skills offer therefore needs to reflect these challenges.
- 7.12 Employers and learners report high levels of satisfaction with the skills offer in Cumbria. However, the offer will need to adapt to reflect rapid changes in technology and working practices across all sectors, and the specific skills needs identified in sector skills plans. These sector specific skills are listed at Appendix B (they include current key shortages such as trained chefs in our important hospitality sector). The skills system therefore needs to ensure it understands these changes and develops its curriculum and support offer to respond to these.
- 7.13 As noted elsewhere in the LIS, we have a major challenge in worklessness and in youth unemployment rates in certain "cold spot" communities in Cumbria. There is an need for the skills system, in conjunction with other services to address these issues in a joined up way. Furthermore, both within cold spot areas and also more generally we know that there are strong links between health/illness and productivity. Poor health can lead to unemployment which further aggravates health issues whilst poor conditions of employment conditions can lead to poor mental and physical health.

7.14 Cumbria has a strong track record in vocational education, and should be at the forefront of vocational education reform and Apprenticeship growth. The development of an innovative curriculum for inclusive growth will:

- Enable employers to boost their productivity, experience fewer skills gaps and develop their ability to effectively utilise the technical education offer in the county
- Enable employees, students and influencers to sustain and progress in careers, understand the skills routes available, build work readiness and resilience to change
- Enable the skills system to better understand market and technology changes that shape the world of work, to develop teachers understanding of industry trends and work in partnership to develop an accessible offer of education
- Address the challenge of higher level skills in the county
- Secure support and progression for those furthest from the labour market.

Key Priorities for Action: People and Skills

Relevant strategic objectives

- Growing our talent pool
- Ensuring all our residents contribute by sharing prosperity and opportunity

Skills Priority 1: Make best use of available talent

...to help address the potential future workforce decline

7.15 The decline in our future workforce needs to be addressed and action has been identified elsewhere in the LIS to help attract more people of working age to Cumbria (place making, housing building and promotion). However, there are number of areas where actions directly related to skills development and recruitment can really make a difference to help maintain or increase our workforce linked to:

- our **older** residents/workers;
- our **workless** residents (see Skills Priority 5 below);
- provision of **new/innovative paths** for careers and education; and
- young people who leave the county (see Skills Priority 2).

- 7.16 **Older people** over 60 will become, in both absolute and proportional terms, an increasingly important part of our actual and potential workforce, given the decline in working age population. This will involve developing and building on existing interventions as part of a **fuller working lives strategy** to amongst other things:
- work with employers to encourage them to consider recruiting and training/developing older people (building on the existing work and tools developed by the Chamber)
 - use the links into the voluntary and third sector to help recruit older workers
 - ensure that suitable flexible working opportunities are offered in all sectors
 - provide suitable support and training for those seeking to re-skill
 - explore how to tap into the experience and skills of those not wishing to work full time or in paid employment (for instance in business mentoring).
- 7.17 Cumbria has a particularly thin labour market, so finding innovative ways of connecting opportunities is important. Even if there are suitable job opportunities for one person considering relocating to Cumbria their partner might feel that they lack career opportunities. There is already activity by some public sector bodies to engage and see if there may be ways of providing opportunities to partners (or young people considering relocating back to Cumbria).
- 7.18 Similarly, in many sectors, such as hospitality, there are many SMEs who can struggle to provide full training opportunities or the provision of transport to areas where there are potential workers. We already have a solution in the nuclear sector. There is a role for the LEP in facilitating collaboration across groups of employers to develop cross-business and cross-sector training and recruitment/career paths programmes.

North West Nuclear Community Apprenticeship Programme

Developed by Sellafield Ltd, the programme will be delivered and managed independently by the Cumbria Apprentice Training Agency, which will work with employers, employment agencies and a range of local training providers.

The new 'North West Nuclear Community Apprenticeship Programme' will boost employment opportunities for local people, and help drive economic growth in the region.

Training offered will range from customer services, property maintenance and scaffolding to potentially,



Skills Priority 2: Develop and retain higher level skills in our economy

- 7.19 If we want to help attract and retain graduates and to upskill the existing workforce (and so improve productivity), we must ensure the **HE offer available within Cumbria is extended** to fully reflect the needs of the economy. There are already good links between the HE sector and all our FE Colleges and several colleges offer foundation HE courses. The aim is to increase and to extend the range of offer to study full or part time to developed advanced skills within Cumbria. The University of Cumbria's strategic plan is aimed at addressing the higher level skills needs of Cumbria, working in partnership with FE providers, employers and other stakeholders. Two new Institutes are being established to further this – the Institute of Business, Industry and Leadership and the Institute of Health. This is alongside existing higher skills provision across education, the arts, science, natural resources, outdoor studies etc. The new institutes will bring new higher level skills provision to Cumbria which, amongst other areas, will include meeting higher-level skills needs in digital skills, the visitor economy and in management and leadership.
- 7.20 As well as increasing the local HE offer, there is also a need to promote the full range of HE opportunities to young people. The rates of progress into higher education vary widely across Cumbria and there is a need to make young people (and those in the workforce) better aware of the opportunities and benefits from obtaining higher levels skills and qualifications both locally and externally (whether by full-time traditional study or alternative routes including degree apprentices etc).
- 7.21 As well as increasing the number of residents developing higher level skills we need also to develop a **graduate retention/attraction strategy**. This will have a two pronged approach:
- First, develop better longitudinal relationships with those young people who leave Cumbria to study and then work elsewhere. This could build on existing alumni networks of individual school and colleges and develop Cumbria ambassadors and networks in major cities in the UK.
 - Second, find better ways of creating graduate opportunities in our businesses and organisations to provide the glue to retain our graduate, potentially via graduate placements and secondments post degree.

Skills Priority 3: Create the future workforce and skills to meet the needs of our economy

- 7.22 The work by our Sector Panels has identified some great strengths in our education and vocational training system which is generally working well to deliver the skills needed by most of our sectors (although as Appendix B shows there remain significant skills issues in many sectors such as the shortage of chefs). Yet it is clear that there is a need to fine-tune the information and signals that young people get about career opportunities, especially as skills needs will be changing in the future. We have also identified some issues in terms of school performance and in particular the progress of pupils from disadvantaged backgrounds.
- 7.23 The strands in terms of meeting future skills needs are:
- Support the further development of and then response to the **sector skills** plan.
 - Work on improving our careers education and work experience across the county and developing the curriculum to meet future skills needs.
 - Ensure young people are equipped with the necessary digital and creative skills to support innovation in the future.
 - Work with the education system to help address the variations and gaps in **attainment and progress** which represent lost opportunities and talent for Cumbria.

- Work on increasing the number of Apprenticeships and engage with the 800 employers identified by the Edge Project as interested in Apprenticeships but not engaged

Policy Ask 3: *the development of Ebaccs has created a straitjacket for the school curriculum and we would like schools and colleges in Cumbria to develop a more expansive and broader curriculum, with DfE considering dropping the focus on the Ebacc subjects at GCSE.*

Policy Ask 4A: *Building on Cumbria's nuclear expertise, BEIS to work with CLEP to move forward and implement the nuclear sector deal and to identify the place-based interventions and contributions Cumbria can make to growing the sector.*

Policy Ask 4B: *Ensure the Cumbria plays its full role in the implementation of the offshore wind sector deal, including its potential role in expansion of the UK supply chain and in exporting expertise.*

Policy Ask 4C: *Recognising the significance of the visitor economy, DCMS to identify Cumbria as a Tourism Action Zone within the emerging tourism sector deal.*

Policy Ask 4D: *Ensure that government migration policy recognises the particular challenges faced by the tourism sector in accessing labour in rural areas (especially the Lake District) and ensures this is addressed in the post-Brexit migration regime (potentially via a geographically focussed exemption for the proposed salary cap on migration).*

7.24 There are **sector-led skills plans** to raise and extend skills for each of the LEP's sectors²⁴ to be taken forward by the LEP sector panels. These build on the already excellent work involving employers skills panels through The Edge project and other channels.

7.25 Changing labour market needs and increasing skill gaps mean that it is important to help link our current young people into the future workforce. We need to better use and develop further **careers and education-business links**. There is a strong sectoral element here and we would expect employers to be heavily involved. We need to ensure better consistency in careers advice and in improving understanding of the world of work. The LEP has already made progress in this area and intends to:

- Implement a new careers strategy for Cumbria, including the promotion of higher education opportunities
- Develop a co-ordinated approach to high quality work experience across all sectors
- Work with the education sector and employers on "digital credentialing" to capture a broad range of skills and attributes to help better passport young people to jobs and employers

Case study Cumbria Career Hub

Cumbria LEP has been working with the Careers and Enterprise Company and local education and skills partners, employers and stakeholders on a bid to establish the county's own Careers Hub which will help transform careers education for young people. A Careers Hub is a group of 20 to 40 schools and colleges working together with universities, training providers, employers and career professionals to improve careers education. Careers Hubs are a central part of the Government's Careers Strategy which aims to improve careers education and help prepare young people for the world of work.



²⁴ This is however not true for the newly established creative and cultural sector panel, so this will need to develop its sector skills plan

7.26 Overall our education system works pretty well but there are variations and in particular there is a concern about the **disadvantaged young people** who leave school less well qualified and prepared for further education and work. The LEP will work with schools, employers and the County Council as education authority in supporting school improvements strategies and actions to address the progress and attainment gaps across Cumbria.

**Skills Priority 4: Develop our future leaders and managers
support access to and engagement with management and leadership development
in the area's larger companies and SMEs**

7.27 There is considerable national evidence that the success of companies in improving productivity and engaging in innovative activity is in very large part due to the quality of and investment in the leadership and management of the business. In Cumbria, the thin pool of people with higher level skills creates a triple challenge for businesses:

- attracting higher skills talent;
- developing the talent; and
- sharing and networking experience.

7.28 These issues are not generally so important in larger firms who are more likely to invest in these skills and have access to wider networks. They are challenges for SMEs who dominate many sectors in Cumbria. The development of more networks and mentoring to share ideas and best practice will be applied here.

Skills Priority 5: Address worklessness and youth unemployment

7.29 There is real opportunity to better engage with those workless households and communities that are not fully engaged with the labour market. Initial modelling has suggested that in principle raising employment rates in the worst employability cold spots in Cumbria could add around 4,500 to the workforce – helping address the labour availability challenge. This requires both working with the individuals and communities who are currently remote from the labour market to try and ensure that they retain to the labour market and that all of our young people enter then remain in the world of work and/or education/training (also see Skills Priority 3).

7.30 We need to develop a more coherent employability and social inclusion offer to lead to a successful fuller working life. However, such action is not simply a matter of well-designed employment programmes, although they have a part to play. It requires co-ordination action across a wide range of agencies at a local and even community-level (See Places Priority 1). There is an important role for Cumbria's thriving voluntary and social enterprise sector²⁵ to play in developing and delivering new solutions to this challenge. The particular scale and depth of the degree of worklessness in Barrow may require a particularly innovative and sustained approach (drawing on the experience of programmes elsewhere in Cumbria such as in Copeland²⁶).

²⁵ Cumbria has a thriving social enterprise sector which it is estimated currently provides employment for over 4,000 people and contributes over £325m to the local economy (and is continuing to grow). Alston Moor's was designated in 2013 as the world's first Social Enterprise Town, whilst the county is a designated Social Enterprise County

²⁶ Also building on work such as the Cumbria Collaborative Outreach Programme (CCOP) funded by the Office for Students and led by the University of Cumbria. This is a partnership of universities, colleges and employers. It focuses on 24 target wards in Carlisle/Eden, West Cumbria and Furness. In each of these areas a local CCOP team delivers an intensive, sustained and progressive programme of outreach activity on HE progression working with schools, businesses and community organisations specific to their area



8. Business environment

Major opportunities and challenges

Summary: low rates of business start-ups, but high rates of business survival; few fast growing firms; considerable scope to increase exporting and to further develop local value added and supply chains linked to nuclear sector, offshore wind/oil and gas, defence, construction and tourism and land-based sectors.

- 8.1 Many of the challenges relevant to the business environment are covered elsewhere under skills, ideas and infrastructure. We focus here on enterprise, business growth, supply chains and exporting.
- 8.2 Cumbria, in common with areas with larger rural and visitor economies, has some real strengths in relation to enterprise. It has
 - A relatively high level of business stock per head of population and high rates of self-employment, so that in many parts of Cumbria running your own business is common
 - A relatively high survival rate for those businesses that do start up.
- 8.3 However, a key issue in Cumbria is the **low rate of new business start-ups** in most areas. This is true whether measured as a % of the current stock or per 10,000 population (34% respectively below the England average rates²⁷) or per head of population.
- 8.4 There are a variety of explanations for this: in our more rural areas land based businesses form a large share of the stock and tend to have low rates of turnover and change; whilst in the more industrial areas having one or two large employers (such as BAE Systems in Barrow and Sellafield in Copeland) tends to be correlated with low rates of enterprise in that area; starting new businesses can also be constrained by limited size of the immediate local market.

²⁷ On average 41 "active businesses" per 1,000 population, rising to 55 in South Lakeland and 44 in Eden compared to 36 for England in 2016 from ONS Business Demography for 2016

- 8.5 According to a comprehensive analysis of different geographies²⁸ Cumbria also has low absolute and relative numbers of **faster growing businesses** on almost any measure. There are a number of likely explanations for this including:
- the small local markets and distance from main urban areas providing fewer immediate opportunities for growth;
 - the sectoral composition of the economy (with relatively few business in IT and private sector business based services); and
 - cultural factors including the relatively large number of 'lifestyle' businesses in Cumbria.
- 8.6 Cumbria is sometimes noted for its significant number of so-called **lifestyle businesses**. Small businesses run by owners who have no desire to grow too quickly if at all and are content with a reasonable level of remuneration and in getting an appropriate work-life balance. The 2015/16 Cumbria Business Survey found that the great majority of business surveyed were planning to grow, with a minority (just under 30%) having no plans to grow turnover or employment and an even smaller proportion (15%) in the accommodation and food services sector which is where a lot of lifestyle businesses are reportedly located.
- 8.7 The LIS does not dismiss the role of such businesses. Indeed, one of the key themes in our LIS is about selling the dream of living and working in Cumbria. The fact that Cumbria is a beautiful location to relocate or set up such businesses is one of our USPs. The challenge is to try and encourage more lifestyle businesses in sectors and in technologies where they are not necessarily competing with other businesses locally. Lifestyle businesses can and do grow and add to the sum of skills to help form a competitive business base.
- 8.8 The size structure of our business base in Cumbria is an interesting and perhaps unique feature, reflecting our industrial structure. Overall smaller businesses predominate in Cumbria with an above average proportion of businesses with very low turnover and fewer medium sized and larger businesses (turnover over £2 million). However, the picture varies across Cumbria and the importance of very small businesses tends to be a feature of our most rural economies as are family owned and managed businesses. As we know in several areas one large employer is critical for the overall fortunes of the area.
- 8.9 There is limited data on the extent to which Cumbrian firms **export** and to where they export. The 2015/16 business survey reported that 22% private sector businesses exported (15% made sales within and 11% outside the EU). The rate of exporting is above the UK rate, in part this is because of our industrial structure – with a strong manufacturing sector – and because there are relatively limited local market opportunities.
- 8.10 There are some real potential business opportunities in Cumbria. Previous work has identified further opportunities to extend access by local SMEs to the **major supply chain and value adding opportunities** linked to:
- the nuclear energy sector - with the annual current level of purchasing by Sellafield being around £1.2 billion in the UK;
 - other energy sectors - the offshore wind and the oil and gas sectors;
 - the £40 billion nuclear new-build submarine deterrence programme focussed in Barrow;
 - the land based and visitor economy sectors where work is.

²⁸ UK Local Growth Dashboard, Enterprise Growth Centre, Warwick University, June 2018

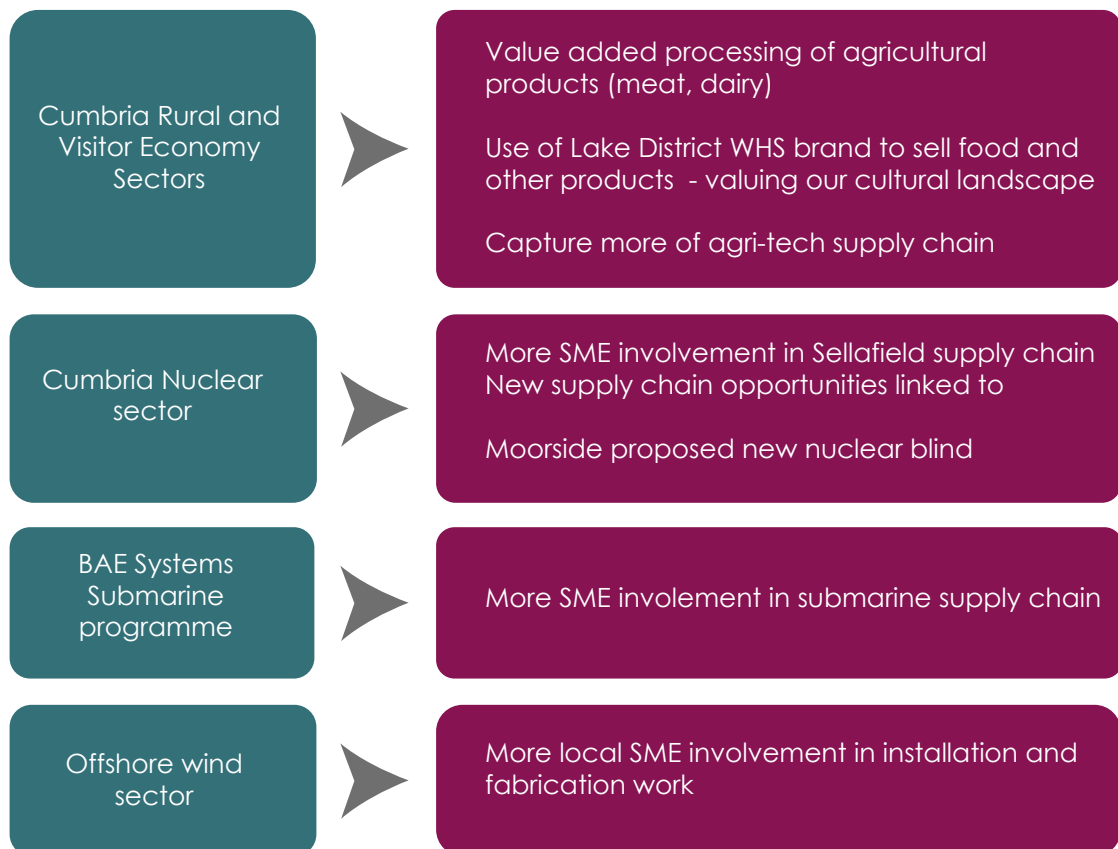
Oxley Group LED manufacturer, Ulverston

World class provider of advanced solutions for defence, aerospace, rail and telecommunications applications - meeting the needs of global customers. Specialists in LED lighting, night vision solutions, EMC filters, interconnect components and data capture products supplies its products across the world, UK SME Export Champion in 2017.

Oxley is an active Northern Powerhouse Export Champion and works with the Department for International Trade encouraging other businesses to grow through exporting. In 2016, Oxley was also appointed as a Commonwealth First Export Champion, these Champions are selected based on their level of impact, innovation, ambition and ability to succeed. Oxley has been crowned Best Exporter in Cumbria on three occasions in 2014, 2016 and 2018.



Figure 8.1: Supply chain and value adding development opportunities



- 8.11 The most recent Cumbria business survey (2015/16) did not pick access to finance as a key constraint on business growth, although cashflow was. Businesses in Cumbria are able to access finance from the £404m Northern Powerhouse Investment Fund, from the British Business Bank and also wider funding through delivery partners including Start Up Loans. In some areas there are local loan and grant schemes aimed at smaller, local businesses (eg Allerdale's Social Impact Fund). The Chamber report a widespread lack of understanding in the county's businesses of the range of wider finance options available to businesses and how they can best be used by businesses to support their growth and productivity. There is a need to consider "investment readiness" of businesses to access appropriate finance and unlock growth. There is currently no dedicated access to finance/investment readiness service in Cumbria.
- 8.12 The Cumbria Growth Hub delivered by the Chamber of Commerce and supported by ERDF and other funding streams from partners across Cumbria provides a range of business support including access to advice and signposting support linked to:
- starting a new business
 - exporting
 - growth and productivity improvement
 - accessing supply chain opportunities
 - access to finance.
- 8.13 The LEP expects these business services for existing and start-up businesses to continue in the future.

Key Priorities for Action: Business Environment

Relevant strategic objectives

- Exploiting under developed economic opportunities

- 8.14 The priority actions under business environment are focussed on enterprise, supply chain development and exporting.

Business Environment Priority 1: develop and nurture a stronger enterprise culture in Cumbria

- 8.15 There is a sound base to build upon. Small firms are particularly important in most parts of the county, so many people work in or know someone with a small business or who is self-employed. Our farmers have exploited a range of diversification opportunities (especially but not exclusively into tourism). However, there are particular challenges in rates of enterprise in those areas with large single employers (Barrow and Copeland). We therefore need a long term, sustained and all-encompassing programme of enterprise development, to expand and extend our enterprise culture.

North West Young Enterprise Company Programme Finalists 2018

A team from The Nelson Tomlinson School in Wigton won a series of awards at the North Cumbria Young Enterprise Finals, the Cumbria County Finals and were crowned North West Champion Company at the north west finals. They subsequently went on to represent the North West at the two-day UK Company of the Year finals in London where the team presented to 300 people.



8.16 As well as continued support for help with the basics in starting a new business, the LIS supports

- Raising aspirations for enterprise in schools – scaling up existing programmes and activities
- Supporting the continuation of enterprise activity from our University campuses
- Talent spotting for those with entrepreneurial or innovative ideas (subject to funding, we will use a **challenge fund approach and prizes** to support innovative new business ideas for those under 30 [Linked to Ideas Priority 2](#)).

8.17 In the course of consultation on the LIS a range of suggestions were made about the provision of new space for start-up and young businesses – whether incubation space, co-working space, or business centre/enterprise space. There are already several examples of successful spaces that have often been innovative uses of old buildings, sometimes with a focus on the creative sector. Such spaces are one way of encouraging and facilitating more business start-ups, but can be delivered via a purely private sector solution.

8.18 The Great Places Lakes and Dales programme research has identified the idea of a series of **cultural hubs** across Cumbria, including the Lake District, targeted at young people to help, inter alia facilitate entrepreneurship.

Examples of innovative, start-up and co-working business space in Cumbria

[add suitable images]

- | | |
|--|--|
| <ul style="list-style-type: none"> • The Mintworks and The Factory, Kendal • The Vicky, Cockermouth • The Workspace, Penrith • Billy's Space, Staveley | <ul style="list-style-type: none"> • Warwick Bridge Business Village, near Carlisle • Windermere Works • The Guild, Carlisle • Hackthorpe Hall Business Centre, nr Penrith |
|--|--|

Business Environment Priority 2: increase the rate of fast growing businesses in Cumbria

- 8.19 There are many excellent businesses in Cumbria and some that have shown stellar performance. For the reasons set out above the absolute (and relative) number of faster growing businesses, however defined, is small. Our aim is to up the number of such businesses (there may be particular opportunities with family owned businesses when succession takes place). Many of the actions here are linked to ideas and innovation and so covered in Section 6.
- 8.20 In addition, there is a real opportunity to enhance the exposure of our businesses to new ideas by linking them to graduates from the universities active in our area. The universities of Cumbria and Laster have prepared a joint bid to the Office for Students to expand links between SMEs in Cumbria and Lancashire and students from the two universities, by **creating student placements in SMEs**. This can help the businesses identify new growth opportunities and also help retain graduates in the local area.
- 8.21 Subject to funding, we would like to expand the grant and support offering to SMEs wishing to grow. At present the ability to work with a wide range of businesses on growth is constrained by eligibility for ERDF funding precluding farming, nuclear and defence related businesses for instance.

Case Study Impact International UK, Windemere [company image to be sourced and inserted]
Independent multi-award winning global leadership and organisational change consultancy.

Policy Ask 5: ensure that the Shared Prosperity Fund does not have the same sectoral limitations as current EU funded activity and is able to support activity across all Cumbria's key sectors (including farming and nuclear) and has a clear focus on rural development or if not there is alternative support for rural areas via other funding streams.

Business Environment Priority 3: Develop strong and productive sectors and networks

- 8.22 There are several well-established Cumbria-based business membership and networking groups. Cumbria Chamber of Commerce works across sectors and across the county. Cumbria Tourism is the county's private sector-led destination management organisation providing sector research, leadership and representation alongside destination marketing and communications, advice and support to drive sustainable tourism business growth. The Farmer Network acts in the same for small farms particularly hill farms in Cumbria (and other parts of the North of England) and of course other bodies such as the CLA and NFU represent other rural interests. Britain's Energy Coast Business Cluster (BECBC) is a private sector led organisation, with members from SMEs to global companies with business interests in West Cumbria. It has strong, but not exclusive, focus on business linked to the nuclear sector. The LEP's Sector Panels also encourage networking and will be looking at this as part of their work on productivity.
- 8.23 As part of the desire to help diversify the economy, there is need to encourage the development of the creative and digital sector in Cumbria and the LEP has established a new Sector Panel. There have already been some local level business clustering networks linked to the development of the digital and creative sectors. Wired Cumbria has been set up as a Cumbria Digital & Creative Network to deliver facilitated networking events. There have been a range of local digital and creative initiatives. However, more needs to be done to improve networking across the county in the creative and digital sector and with developments and businesses outside Cumbria in what is currently a relatively small sector.
- 8.24 As part of the development of these business networks there could be more **comprehensive mapping** of the business and people involved in the digital and the creative sectors in Cumbria.

Case Study *theidol.com*, Penrith

FinTech web development firm providing bespoke web applications and custom online solutions to the consumer finance and insurance comparison markets. Their work with leading comparison web sites makes them the single largest provider of Travel Insurance in the UK.

theidol.com is the UK's leading financial technology company with a wealth of expertise in price comparison and bespoke product platform technologies.

Based in Penrith, it delivers market-leading innovation in insurance products for household-name comparison sites, such as comparethemarket.com, GoCompare and Confused.com.

This sits alongside its own startup consumer brands, including Compare Cover (offering life, travel and pet insurance) and CleverMover.

Having doubled its workforce in two years, theidol.com has firmly established itself as an innovative Cumbrian employer in the digital and creative sector.

Paul Tyson, Managing Director, said: "We're proud to be based in Cumbria, which is a fantastic place to live and work.

"The talent is out there and recruiting the right personality fit for our team is every bit as important as recruiting the right skillset."



Business Environment Priority 4: Exploit supply chain opportunities

8.25 There are already programmes and activity linked to supply chain development to build upon. The Furness area has seen a longer term approach to supply chain development led by the Furness Economic Development Company (FEDC), the Growth Hub has some supply chain development activity. Sellafield has been delivering road shows with its Tier 2 suppliers around Cumbria to inform local SMEs of the opportunities from its £1.2 billion supply chain spend linked to its decommissioning programme. Sector Panels will be developing their own responses to supply chain opportunities. There is scope to:

- Expand on **supply chain development opportunities in nuclear sector** to develop the export of nuclear expertise [and translation of nuclear supply chain expertise into other sectors] as part of improving productivity and diversifying the economy, especially in West Cumbria. In addition to helping SME access more of the opportunities linked to Sellafield decommissioning, it is critical that this can be a platform to help businesses access new UK and global markets linked to environmental management and related technologies.
- Support the growth of the **non-nuclear energy sector** and the contribution towards Offshore Wind Sector Deal.
- Support a programme of supply chain development and diversification linked to Astute and Dreadnought **submarine programmes**.
- Work with other major businesses in the food, other manufacturing, construction and retail sectors to increase the supply chain spend in the county.

- Support activity to exploit sensitively the commercial **benefits from the Lake District's new WHS** (see Rural Economy Growth plan). There is already a new marketing toolkit to help businesses exploit this opportunity for branding purposes. However, there is an opportunity to consider a wider campaign linked to products originating in the Lake District (food and other), to extend their markets, building on some of the success of business such as Hawkshead Relish.

Case study: Hawkshead Relish

Artisan producer of award winning relishes, pickles and preserves based in the historic village of Hawkshead in the heart of the Lake District.

Artisan producers of award-winning relishes, pickles and preserves based in the historic village of Hawkshead in the heart of the Lake District.

They started making the preserves in their café in 1999, however, when Foot & Mouth struck in 2001 they diversified into making more of the Relishes, increasing the range and building a wholesale business. They now employ a small but dedicated workforce of around 25 local people, Making a wide range of Relishes and for others such as Liberty's of London, Fortnum and Mason and Harrods amongst their many private label customers. They have around 500 stockists throughout the UK and export to around 15 countries around the world. All their products are still made by hand using traditional open pans and the finest ingredients without any artificial flavourings, colourings or preservatives added.



- 8.26 There are parts of our economy where there is a need for diversification in markets or by geography. For many years Cumbria has a strategy for tourism of “attract and disperse”, building on the strong brand of the Lake District to attract visitors, but then to try and encourage visitors to visit and spend money in the less frequented parts of the county such as the West Coast, the Eden Valley and the towns and cities outside the National Park. The LIS therefore supports investment in new tourism attractions/facilities that enhance our existing visitor offer and bring new visitors to Cumbria and/or help spread tourism spend including new wet weather attractions and facilities for outdoor activities (see the Rural and Visitor Economy Growth plan). The Destination Borderlands theme in the **Borderlands Growth Inclusive Deal** supports investment in heritage, recreational and cultural assets.
- 8.27 Although the Lake District is, on most metrics, an extremely successful tourism destination, there is evidence that its attractiveness to younger visitors (“Millennials”) is relatively limited. The LIS therefore supports investment, marketing and other activities that attract younger adult visitors, including activities that add to the “adventure capital” role and extent the cultural offer. It also supports investment and marketing that attracts more international, higher spending visitors.
- 8.28 Brexit presents both an opportunity and threat to our land based businesses as the whole regime of farm payments and agri-environment payments changes. The £100 million plus per year paid via various CAP regimes to business in Cumbria is clearly a vital part of our rural economy. To put it into context it is equivalent to over 30% of the recorded GVA from farming and forestry in 2016. Although there is a transition period for the Basic Payment Scheme to 2027, there is no such transition after 2020 for other types of support, such as the agri-environment payments which are so important in upland farms.

8.29 The Lake District National Park Partnership and the Cumbria Catchment Pioneer are leading work with Defra and Cumbrian land managers on testing and trialling approaches to a future Environmental Land Management System under a UK Agricultural policy. Farmers and land managers in Cumbria need early clarity and then support to ensure they and can adjust and diversity appropriately to the new trade and support regimes in place after Brexit.

Policy Ask 6A: *Cumbria welcomes the publication of the Agriculture Bill setting out how farmers and land managers will in future be paid for “public goods”. However, what this means in practice needs spelling out sooner rather than later to allow farmers and others to make informed investment decisions, and that the future system of farm support and landscape/ environmental post-Brexit addresses unique needs of Cumbria’s upland farming and landscape areas.*

Policy Ask 6B: *Cumbria has more statutory protected sites than anywhere else in the country and our natural capital is a vital part of our economy. After Brexit and we leave the current EU legislative regimes, we need a robust Environment Bill that would put the maintenance and recovery of our natural assets on to a firm statutory footing with independent oversight.*

Business Environment Priority 5: Increase trade and new investment

8.30 Cumbria business are more likely to be exporting than average, linked to the importance of our manufacturing sector where exporting is much more the norm. We have many examples of successful Cumbria headquartered firms that have grown their export markets (eg James Cropper, Gilkes, Innovia, James Walker, Kendal Nutricare and Oxley). Exporting clearly provide growth opportunities for business in Cumbria where local markets are, by definition, relatively small. There is a considerable body of research showing that exporting is positively associated with higher productivity levels and that the more different export markets with which a firm trades the higher is productivity. Most of our innovative and successful firms export a considerable portion of their sales.

8.31 Recent research also suggest that exporting to non-EU markets appears linked to higher productivity (as it faces more challenges and barriers²⁹). Clearly there is uncertainty about the trade regime post Brexit, but accessing more non-EU markets and being prepared to trade with the EU if there are greater trade barriers are both important. We therefore need to **encourage more firms to export**, signposting them to the existing export support provided by the Chamber/ Growth Hub and UK:TI.

8.32 The LEP is seeking to develop an **internationalisation strategy** focusing on exporting in a post-Brexit world and also on:

- Attracting more international visitors
- Increased research and other collaborative activities.

²⁹ UK trade in goods and productivity: new findings, HMRC, July 2018

8.33 We also need to sell Cumbria more consistently and with a clear, targeted message. In the UK the great majority of inward investment is **re-investment** by multi-national firms in existing plants or other facilities. Cumbria has a significant share of its manufacturing base that is owned by global businesses, including key local firms such as Tronic (2012) and Innovia (in 2017) which have become parts of multi-national firms and other such as GSK, Kimberley Clark, Nestle, Iggesund, Crown Packaging and Pirelli that are longstanding foreign-owned businesses. Inevitably, when owned by a business headquartered outside Cumbria or the UK, operations in Cumbria have to compete with other sites for their share of investment. We need to work with these key business on an ongoing basis:

- Strand 1: Ensuring key existing multi-national businesses are **retained and re-invest** in Cumbria by a continuing programme of business liaison and **key account management**.

8.34 The second strand of our approach to inward investment is to attract business to major new business opportunities linked to existing technology and strengths, including:

- Strand 2: Build on opportunities for **new nuclear investment** in West Cumbria to attract inward investment (for instance in Small Modular Reactor or Advanced Modular Reactor technology). This will involve working closely with government on the development of these technologies.
- Strand 3: Attract inward investment linked to major renewable technologies (such as tidal and offshore wind)



9. Infrastructure

Major opportunities and challenges

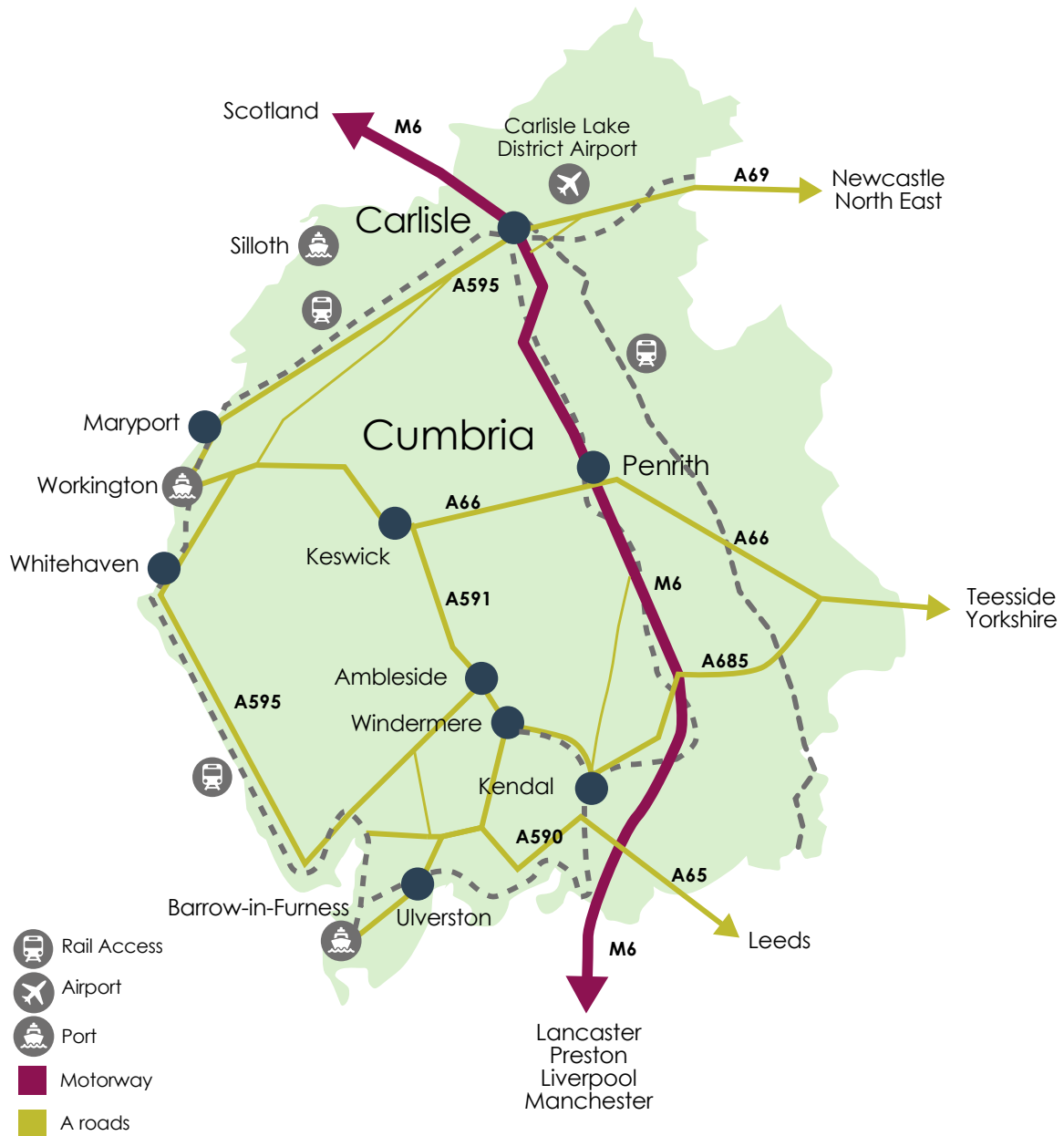
Summary: good accessibility down M6/West Coast spine in east of county; opportunities from opening of commercial services from Carlisle Lake District Airport; significant transport pinch points and resilience challenges on the A590 and links (both road and rail) in the West Coast; improving situation in respect of superfast broadband but long way behind in ultrafast broadband; poor 4G and mobile coverage; strong natural assets supporting our natural capital and green energy prospects.

9.1 There are **many positive aspects of our infrastructure** which provide actual or potential benefits in attracting investment:

- The county, particularly the east side, benefits from **access to the strategic M6 motorway** (a factor in the clustering of our logistics sector along this corridor) as well as the West Coast Mainline through stations at Carlisle (also with connections east and west), Penrith, Oxenholme/Kendal and Lancaster/Preston. The plans to upgrade the strategically important A66 from Penrith to Scotch Corner will, if implemented, further improve the accessibility of the east of the county.
- The current West Coast Mainline services provide **good direct services** north to Scotland and south to Lancaster, Preston, Greater Manchester, Manchester Airport, Birmingham and London. Indeed, the southern part of the county is almost within commuting distance direct to the centre of Manchester – the largest employment location in the Northern Powerhouse. Direct train services from Manchester Airport are an important factor in attracting international tourism to Cumbria.

- The future arrival of **HS2 services to Cumbria** has the potential to improve connectivity southwards. Preston, Lancaster, Carlisle, Penrith and Oxenholme are to become 'integrated high speed stations', where passengers should be able to catch HS2 trains and access the high speed network to the south providing 40 to 50 minute journey time savings. Notwithstanding this, local partners have concerns that with the arrival of HS2 services, the number of direct services to London will be reduced and that direct HS2 services might not stop in Cumbria requiring changes in Preston or Birmingham. The recent suggestion that HS2 services to Scotland will stop and split at Carlisle is welcome.
- Cumbria benefits from several important **working ports** in Barrow, Silloth and Workington that have seen investment in recent years and handle important freight traffic for businesses in Cumbria. Whitehaven harbour has untapped potential. Barrow port plays a key role in serving the offshore energy industry and of course the nuclear submarine building programme. There is scope to make more of these important transport assets.
- The opening of **Carlisle Lake District Airport** for passenger services to London Southend, Belfast and Dublin in 2019 will help improve connectivity for businesses, residents, potential students and visitors to Cumbria. There is also an airport and heliport on Walney Island.
- Overall, Cumbria suffers from fewer issues of congestion compared to many other parts of the country. Average delays rates on local trunk A roads are around half the national or North West rates. However, as noted below this varies across the county and there are other significant road transport challenges.
- Our **natural capital assets** are second to none in England. As well as the obvious landscape assets, as climate change is increasingly changing weather patterns, Cumbria has an abundance of water resources.
- Cumbria has excellent **green energy resources** and opportunities for new energy sources: there is a large and growing concentration of offshore wind energy, we have major biomass plants and a small but growing hydro sector and there are potential tidal energy possibilities in both the Solway and Morecambe Bay (and in the case of the latter potential connectivity benefits).
- Cumbria has some important assets in relation to the oil and gas field in the Irish Sea and Barrow acts a base for serving the sector as well as having a natural gas.
- Cumbria has plenty of space, our towns and villages offer many attractive brown and green field opportunities for high quality housing development.

Figure 9.1: Key transport infrastructure in Cumbria



- 9.2 Given the remote and often isolated location of many businesses and people in Cumbria, **access to digital connectivity** is absolutely critical for accessing service and for business. The coverage of broadband has improved considerably in Cumbria over the last 5 years helped by the Connecting Cumbria project that has accelerated the roll-out of superfast broadband to most villages in Cumbria. However, there still remain 7% of premises without access to superfast broadband, coverage in Eden and across the Lake District National Park area is poor. Furthermore, looking to the future “superfast” connectivity is unlikely to be sufficient for many businesses and communities to fully access market and service opportunities. Of particular concern therefore is that coverage across Cumbria of ultrafast broadband, with the exception of Carlisle, is very poor³⁰.
- 9.3 Increasingly important for businesses, visitors and local residents of Cumbria is access to both a good quality mobile signal and to mobile data services. Currently, mobile signal and 3G and 4G mobile data connectivity is relatively poor in many parts of Cumbria and is very dependent on different mobile providers.

³⁰ As of Q1 2018 superfast broadband (over 30 Mbps) was available for 92% of premises in Cumbria compared to 95% nationally, ultrafast broadband (over 100 Mbps) was only available for 8% of premises compared to 54% nationally

- 9.4 The recent Borderlands Growth Inclusive Deal proposal seeks to complete the roll-out of super-fast broadband to properties that do not yet have access in Cumbria and also radically enhance access to 4G and 5G services.
- 9.5 Although many parts of the county are well connected, Cumbria has a range of **transport challenges**. Fundamentally our geography, location of economic activity and typography creates the need for better transport links:
- The current transport network contributes to the **thinness of our labour market** with relatively self-contained and to some degree isolated labour markets. We have the population of Edinburgh, but housed in an area that is 20 times larger. Moving from west to east is particularly difficult as is moving north south outside the M6 corridor. As a consequence, for instance travel to work flows between Carlisle and the West Coast are much lower than might be expected. A 30 mile journey takes upwards of an hour by train on a very infrequent service. This fundamentally hinders the achievement of agglomeration productivity benefits and ability of different parts of the economy to cope with workforce shortages.
 - Some of our **key employment locations** are not well served by road or, currently, rail services which makes them isolated, inaccessible and potentially very vulnerable to disruption (Barrow and the Sellafield site) and acts as a **barrier for major inward investment**. The recent business case improving north south links in the West Coast submitted to government made these very points.
 - Due to the typography and size of Cumbria the **network lacks resilience** and small incidents or road repairs can lead to few alternatives or very long diversions. This was highlighted after Storm Desmond in December 2015 when Cumbria was without the key north south A591 link and what was a 25 to 30 minute journey took well over 1 hour.
 - Local train services that connect different parts of Cumbria (Coastal Line, Barrow line, Windermere line and the Hexham/Newcastle line) are both **infrequent and often unreliable** using old rolling stock. Moreover capacity on the West Coast Main Line and on approaches to Manchester, Glasgow and Edinburgh contribute to the “skipping” of stations and a limited ability to run direct services from Barrow and Windermere to Manchester.
 - We have two major **congestions black spots** identified by the DfT's 2015 Road Traffic Forecasts (particular challenges on the A590 to Barrow and along the A595 in West Cumbria); furthermore summer tourist traffic creates congestion in the Lake District towns and there are focussed movement issues in Carlisle, Kendal and Penrith. Infrequent and often expensive bus services make it difficult for employers to recruit and retain staff, especially shift workers. This also means it is difficult to link up areas of unemployment and larger population with areas of very low unemployment (such as the Lake District).
 - There are major **safety issues** on several of our roads. Highways England are investigating new strategic Northern Trans-Pennine corridor to upgrade the A66 from the M6 at Penrith to the A1 at Scotch Corner, a project of local, regional and national significance. The A66 east of Penrith currently suffers from journey unreliability times and considerable safety issues.

Table 9.1: Priority transport infrastructure schemes in Cumbria (Not in priority order)

Road	Rail
<ul style="list-style-type: none"> A595 Whitehaven relief road Carlisle southern link road A595 / A66 (West of M6) improvements A590 improvements including a Ulverston Bypass A66 dualling eastwards including improvements around Penrith A69 improvements Kendal northern relief road 	<ul style="list-style-type: none"> Cumbrian Coast Line – capacity and line speed improvements Lakes Line – electrification and capacity improvements Furness Line – line speed and capacity improvements and electrification Tyne Valley Line – line speed improvements West Coast Main Line – increased capacity Station enhancements including Carlisle Station

- 9.6 **Housing delivery** is crucial in Cumbria as a contributor to attracting more people to live in the county. Cumbria is one of the few areas in England where all our local housing targets are well in excess of the government's new standard methodology for estimating housing need. This reflects the awareness amongst all local authorities that the continuation of past trends is not sustainable given the implications for workforce decline. The collective housing target is for the delivery of around **1,900 houses a year across the county** with the highest targets in Carlisle followed by South Lakeland³¹. Cumbria has, in recent years, made excellent progress towards this level of delivery, from around 1,100 housing completions in 2013/14 to 1,800 completions in 2017/18.
- 9.7 This increase in scale of housing delivery requires ambitious and innovative solutions. The largest single proposed development in Cumbria is at **St Cuthbert's Garden Village** to the south of Carlisle. This will be one of the largest of the new garden villages to be built across England. The full development is expected to take place over 20 years, providing around 10,000 new homes, associated employment areas, and community facilities. Masterplanning is well underway and the County Council has determined a preferred route for a southern links road from the M6 at Junction 42 to the A565 and has received £102m of funding from the Housing Infrastructure Fund (HIF). Other ambitious housing plans are being considered in Penrith and in the south part of Cumbria around Barrow's Marina Village and in Ulverston.
- 9.8 Cumbria's **Local Energy Plan** sets out the key drivers and investment opportunities for energy in Cumbria. BEIS are developing a Local Energy programme to improve the ability of LEPs and local authorities to deliver energy projects. Cumbria LEP sits within the North West Energy Hub headed by Liverpool City Region. A **Borderlands Energy Company** is being developed as part of the Borderlands Inclusive Growth Deal proposal which will take a whole energy systems approach and work across electricity, heating and transport - create opportunities for investment in innovative energy schemes.
- 9.9 The provision of suitable **sites and premises** for business is an important precondition of economic growth. Around 20% of 1,700 businesses responding to the 2015/16 business survey identified "availability of suitable alternative business premises" as a potential barrier to growth, rising to 29% of "grower" businesses. Across much of Cumbria there is at present a reasonable supply of land for business development and, in quantitative terms at least, of business premises. However, the property market is relatively weak and very few speculative business premises in the form of modern offices or new industrial units are built. Businesses are faced with a relatively limited choice of premises in all parts of Cumbria (for instance modern offices).

³¹ The collective targets are for the delivery of around 1,900 dwellings a year or nearly three times the most recent assessed "need" of only around 700 homes a year based on the new national standard housing need methodology

9.10 A wide range of employment sites have been identified through Local Plans and new land allocated for employment uses. There is no comprehensive single assessment of the demand and supply of employment land and premises across Cumbria (although these exist in some part of Cumbria). There are different markets operating in different parts of Cumbria and different supply positions. Concerns about accessing employment sites and premises have been raised in respect of Kendal and surrounding areas whilst Eden district has very limited available supply of land for development with industrial estates in Penrith nearing capacity. There is considerable land for development in the Carlisle area, especially in the Kingmoor Park Enterprise Zone. There are very few employment premises for purchase or letting in Barrow.

Key Priorities for Action: Infrastructure

Relevant strategic objectives

- Improving connectivity
- Growing and using our talent pool
- Exploiting under developed economic opportunities
- Ensuring all our residents contribute by sharing prosperity and opportunity

9.11 This section of the LIS concentrates on the physical infrastructure for doing business or making Cumbria an attractive place to invest, live or visit. The LEP has already developed an infrastructure plan³² and the LIS builds upon this.

Infrastructure Priority 1: improve our digital connectivity

9.12 The importance of improving digital connectivity in Cumbria cannot be overstated. The requirements and expectations in terms of speed and bandwidth of connectivity are ever increasing. We need to build on and extend the really excellent past and on-going work of Connecting Cumbria:

- Improve **fibre connectivity**: continued expansion and roll-out of Connecting Cumbria (both superfast and ultra-fast broadband) to increase access to good quality internet connection needed for modern business to move Cumbria to as close as possible 100% access to superfast broadband, supporting the digital investment proposed as part of the Borderlands Inclusive Growth Deal.
- Improve **mobile connectivity** work on development of 5G provision (and full 4G provision) with mobile operators (and BDUK), supporting the digital investment proposed as part of the Borderlands Inclusive Growth Deal. We are delighted that Vodafone is trialling a new rural 5G service in the Lake District in 2019.

³² Cumbria Infrastructure Plan, May 2016

Innovation in Cumbria's Digital

- As part of its innovative Digital Allerdale programme the district council is piloting a low powered wide area network. This opens up the opportunity to develop and trial a range of service applications – from monitoring how full litter bins are, visitors being able to locate available parking spaces, through to flood monitoring, or providing family members peace of mind by being able to monitor the environment and wellbeing of vulnerable loved ones that are alone at home at low cost.
- Cybermoor, based in Alston is a partner in the 5G Rural Integrated Testbed (5GRIT) lead by Quickline Communications Ltd. The project brings together a consortium of 6 SMEs, North Pennines Area of Outstanding Natural Beauty Partnership (AONB) and 3 universities (including Lancaster University), with the aim to provide solutions for rural areas that can be used on a 5G network.



- 9.13 As well as having access to better connectivity, partners in Cumbria are interested in seeing what opportunities there are to build on 5G technologies in the better delivery of services in rural areas as part of our **Smart Rural** thinking.

Policy Ask 7A: DCMS to work with Cumbrian partners to deliver investment through the Borderlands Deal for 4G infill and to develop future rural 5G trials and smart rural pilots.

Policy Ask 7B: Restore fiscals incentives for community rural broadband schemes (eg B4RN).

Policy Ask 7C: in line with the Future Telecoms Infrastructure Review ensure the deployment of full fibre infrastructure in commercially unviable areas and 5G roll-out so that rural areas are not left behind.

Infrastructure Priority 2: Invest in road, rail and sustainable travel to facilitate growth, productivity and inclusion.

- 9.14 **Priority 2A: Secure new investment in road infrastructure to support new and existing business and investment opportunities.** For strategic road investment a set of strategic priorities for the county have already been agreed (see Table 9.1) which are designed to address the needs of our economy. Building on a strong foundation of close working between Cumbria LEP and the County Council and the progress that has been made with the development major schemes, (i.e. the Carlisle Southern Link Road, Whitehaven Relief Road, Grizebeck improvements and the dualling of the A66), it is important that we continue to make the case for critical investment and that the Government remains receptive to this. In the longer term there is potential to improve the connectivity to the Furness Peninsular and beyond as a result of the proposed Northern Tidal Power Gateways project.
- 9.15. **Priority 2B: Secure improved services and new investment in rail to support current and future investment, but to also increase our access to UK markets and to promote greater connectivity within Cumbria.** Table 9.1 sets out the key strategic priorities for rail within Cumbria. Moving forward it is vital that support continues to be provided to improvements to rail infrastructure within the County; including to the Cumbrian Coast Line so important to delivering new investment in west and south Cumbria. Sitting alongside infrastructure improvements, it will be vital that we can get the most out of franchises operating within Cumbria with more effective timetables and a stronger focus on integration and through services to Greater Manchester and the North East.

9.16 Cumbria's partners are aware that the development of HS2 services provides a potential opportunity for Cumbria if we are able to get connectivity into the new, faster services. However, there is also a danger that we lack direct services and that there is a degradation in the number of rail services stopping at our three West Coast mainline station (Oxenholme, Penrith and Carlisle); and the support of Government is considered critical in this respect.

Policy Ask 8A: ensure that we have direct HS2 services to London from West Coast Mainline stations serving Cumbria and that there is sufficient capacity to avoid any diminution of existing services.

Policy Ask 8B: ensure that the rail franchisees deliver effective and efficient connecting services across Cumbria, to the West Coast Mainline and Manchester Airport.

Policy Ask 8C: ensure that government transport appraisal criteria take proper account of reliability and resilience issues, the need to service nationally strategic employment locations and full benefits from the visitor economy.

9.17 **Priority 2C: Secure the walking, cycling, local highway and public transport improvements that help people better access jobs, training, services and visitor destinations.** The majority of trips are local; reflecting this it is important that local transport networks are able support trips to and within services centres, employment sites, education facilities and rail stations; including by walking, cycling and other forms of sustainable transport. In a large and rural county like Cumbria this can be challenging and partners will need to work closely to identify achievable improvement opportunities. As noted earlier access to decent bus services is particularly important for young people addressing education and employment opportunities and in linking those seeking work with less well-paid jobs (where they are unable to afford a car or are unable to drive). There is also a need to encourage sustainable transport improvements which encourage a modal shift from visitors using cars to the use of public transport, walking and cycling.

As well as these priorities, the need for smaller scale transport improvements remain in order to unlock key employment sites for development and in some cases to mitigate the impacts of housing and other growth.

Policy Ask 9: Government to provide direct incentives to support the delivery of bus services in rural areas.

Infrastructure Priority 3: support the planned increase housing building across Cumbria

9.18 Increasing the rate of housebuilding across Cumbria is critical if we are to successfully increase our population and stem the decline in working age population. Our district councils take the lead on planning for housing and co-ordinating investment in infrastructure with the County Council. Across Cumbria we have ambitious targets in our Local Plans, the challenge is facilitating delivery. Cumbria has a relatively small number of national housebuilders who operate in the county alongside local and regional housebuilders.

9.19 However, investing in housing is not just about volumes. It is about ensuring we have the right type of housing in the right locations. We need to work together to:

- Ensure the **necessary infrastructure** is in place for the major developments, including Carlisle Southern Link Road to unlock development of 10,000 new homes at St Cuthbert's Garden Village and infrastructure for other major developments. The recent agreement of a £4.5 million package of improvements to the A590 by Ulverston will help unlock plans for over 1,000 houses there as will the £100m of HIF resources for St Cuthbert's Garden Village.
- Increase the supply of **affordable housing** especially in rural areas of high demand in South Lakeland and Eden.
- Expand the **range and mix of housing**, to appeal to all especially different groups of working age.
- Work on attracting a wider range of housebuilders and investors to be active in the county and to explore different **construction techniques \ delivery models** such as Modern Methods of Construction on major new developments.
- Ensure that new housing is built to high design and environmental standards.

Policy Ask 10: *ensure access to expertise and capacity funding to support the advancement of strategic sites, including further rounds of garden village settlements – as this could be a key tool to help Cumbria address its future population deficit and demographic challenges*

Infrastructure Priority 4: support development of new employment areas and premises in areas of demand.

9.20 Cumbria benefits from an Enterprise Zone covering a large employment area in Kingmoor Park to the north of Carlisle. We have other major employment locations potentially available for major expansion or inward investment, including several that have benefitted from past investment, at:

- Lillyhall Industrial Estate and Westlakes Science Park in West Cumbria
- The new Barrow Waterfront Business Park that has been open up by LEP investment in site remediation and access
- Solway 45 at Longtown near Carlisle with the potential for major development
- The redevelopment of part of the GSK site in Ulverston for new business opportunities
- A range of other potential areas for employment already identified in Local Plans.

9.21 At present although there are local assessment of business premises and sites needs there is a lack of a comprehensive picture across the county. As part of the development of the LIS, Cumbria LEP will commission **new research into employment land and premises need**, with the opportunities and challenges identified in the LIS very much a driver for the research. This priority links closely to the Borderlands Inclusive Growth Deal business infrastructure programme (aimed at providing a better portfolio of business accommodation to attract and retain growing businesses and raise productivity levels).

Policy Ask 11: re-introduce the former gap funding regime for property developments in disadvantaged areas.

Policy Ask 12: update baselines for Enterprise Zones for purposes of assessing business rate growth.

Infrastructure Priority 5: ensure the key infrastructure and services to support the future development of a resilient and green economy.

- 9.22 Cumbria has faced serious challenges from major weather events in recent years, most noticeably several major flooding events, but also storms and high winds that have impacted on our utilities and transport infrastructure. Many of our main towns and cities have had serious impacts from flooding that can have lasting economic, business disruption and social impacts (Carlisle, Kendal, Keswick, Cockermouth, Appleby, Workington). As a result of climate change the Met Office long term projections are for the number and intensity of these extreme weather events to rise in Cumbria. We need to ensure the key utilities infrastructure is in place to support the future development and resilience of Cumbria's economy (water and sewerage, energy supply, flood defences/resilience).
- 9.23 Interesting work is underway involving the Environment Agency is seeing how there can be better river catchment flood management involving new approaches to land use and management. As noted in the ideas section, Cumbria is and should be at the forefront of this work. We also need to ensure that our infrastructure is resilient³³ and that we help communities adapt to climate change.
- 9.24 Looking ahead Cumbria needs to start to develop and roll-out the infrastructure and services needed to help a shift to greener growth. This will include electric vehicle charging points and working to ensure that there are better sustainable public transport alternatives for our businesses, visitors and residents alike.

³³ For instance the £300 million West Cumbria water supplies project by United Utilities linking Thirlmere to the West Coast is well underway



10. Places

Major opportunities and challenges

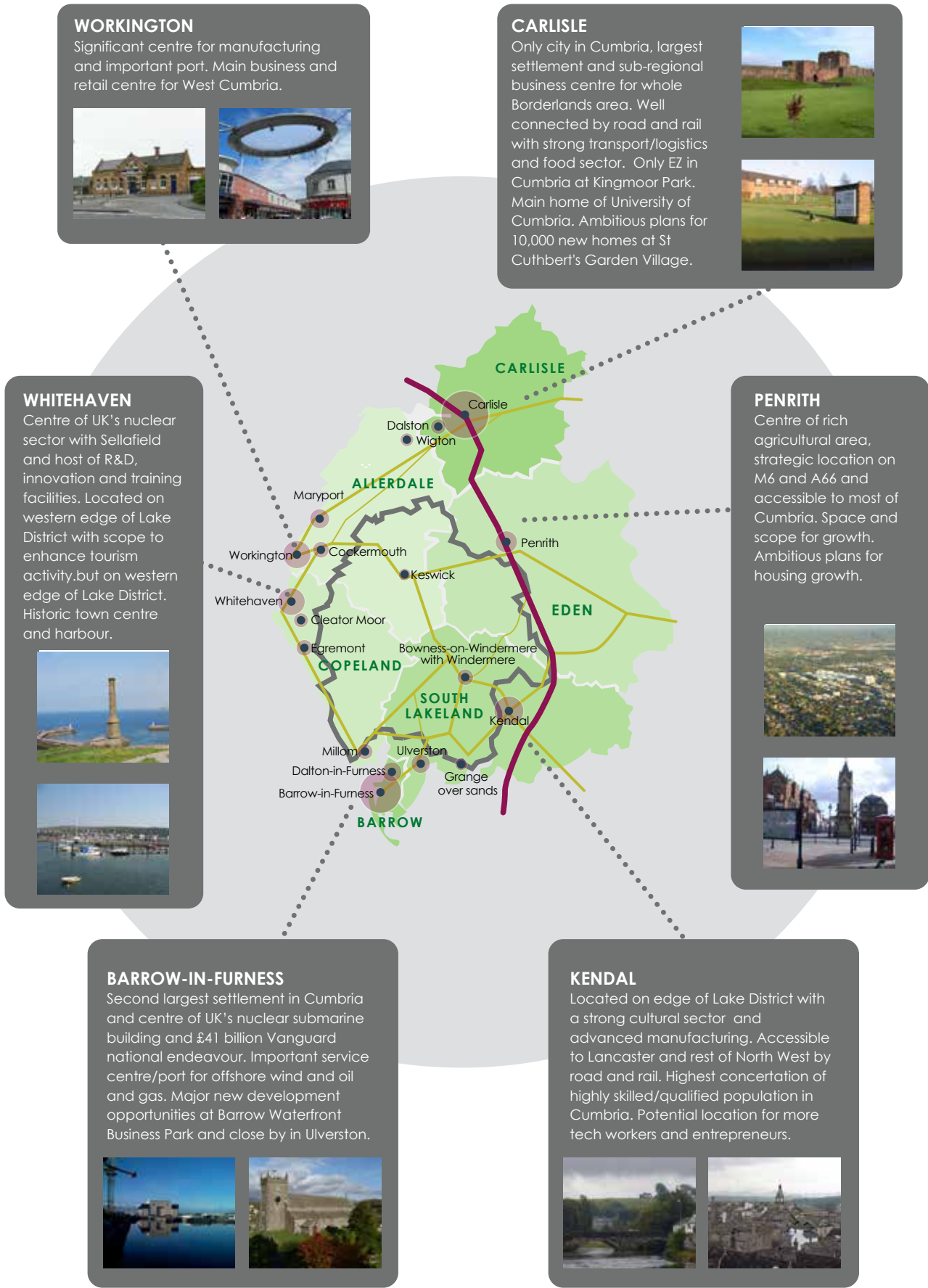
Summary: high concentration and dependence on a few major sectors/employers in Barrow and West Coast (especially Copeland); high dependency in many rural area on agriculture/land based industries and tourism with often relatively low wages; significant and persistent concentrations of worklessness/low skills in Barrow and parts of the West Coast, yet cheek by jowl with high wage employment sectors; general challenges in terms of town centre vitality, pressure on and highest demand for sites and premises down the M6 corridor, especially further south; particular challenges in housing affordability in Eden, South Lakeland and the National Park areas.

10.1 There is one thread running through the LIS it is that there are **major differences** in the economic and social opportunities and challenges across different parts of Cumbria. At a very broad level there are:

- Important east/west differences in the county which in part reflects the different industrial structures and in part differences in accessibility
- Also north/south differences reflecting relative accessibility to the major cities of the North West and the socio-demographics - with the south, south/west part of Cumbria having the closest economic linkages to Lancaster/Lancashire and accessibility to Manchester, Liverpool and Manchester Airport (as well as London) and the north facing and linking to Newcastle and Scotland
- Important urban/rural splits with all rural areas, especially remoter rural areas facing common challenges across Cumbria.

- 10.2 Cumbria has some extraordinarily attractive and successful places. Many of its places are steeped in history and have historic town centres and are attractive tourist destinations in their own right - outside the main settlements and the National Parks this includes market towns such as Appleby, Brampton, Cockermouth, Kirkby Lonsdale and Ulverston.
- 10.3 However, the evidence review has identified that Cumbria has several places with significant and stubborn concentrations of worklessness, poor health and residents with fewer skills and qualifications: these are located primarily in Barrow, Whitehaven, Workington, Maryport and some parts of Carlisle. In the case of Barrow and the West Coast towns these areas of deprivation sit close to areas of considerable economic success and, in the case of Barrow, recent economic growth. As we observed in the skills section there are also concerns around school performance, especially for pupils from deprived backgrounds. The issue of high youth unemployment is particularly acute in the three West Coast towns of Whitehaven, Workington and Maryport. The stubbornness of the deprivation and worklessness is a serious social challenge for Cumbria – it also reflect a real lost opportunity as we face an ever tightening labour market.
- 10.4 The Cumbria Economic Review evidence base provides more detail on Cumbria's different places. Cumbria is typified by many small to medium size settlements each with own identify, strengths and issues, even the largest place (Carlisle) only has around 15% of all of Cumbria's population although it serves a wide hinterland (much of Borderlands). The nine settlements with more than 10,000 residents contain about half of Cumbria's population. Each settlement has its own unique identify and opportunities and challenges. As summary of places issues and opportunities is set out in Appendix D.
- 10.5 Housing as an issue varies across Cumbria with housing affordability ratios varying widely from as low as 3 (Copeland which has a very unusual combination of high median earnings and low house prices but some of the lower priced housing is very poor stock) and 4 (Barrow) to 8 (Eden) and 9 (South Lakeland). The government considers that a ratio of 4 is affordable.
- 10.6 In the context of the wider concerns about attracting more people to live in Cumbria another crucial dimension of places is the quality and range of services and facilities that are available for residents, given Cumbria's geography this varies across the county in terms of:
- Access to good quality health care
 - Access to good schools and childcare
 - Access to cultural facilities.

Figure 10.1: Cumbria's places



Key Priorities for Action: Place

Relevant strategic objectives

- Growing and using our talent pool
- Exploiting under developed economic opportunities
- Ensuring all our residents contribute by sharing prosperity and opportunity

10.7 If Cumbria is to be more successful, Cumbria must have more successful places. Visitors come to places, our current and future workforce live in places. Successful places are a prerequisite for the success of our economy as these are required:

- to attract and retain our current and future workforce.
- to attract inward investors and those who would set up and run businesses.
- as part of our visitor offer and in some cases offer to students.

10.8 The key priorities are set out below.

Place Priority 1: work in selected cold spots of worklessness and social deprivation in Cumbria

(note: linked closely to People and Skills Priority 5)

10.9 There has been a raft of initiatives over the years at a national level and local level to try and tackle worklessness and deprivation in our cold spots. We know that there is not a shortage of employment opportunities in most of these areas or ability to physically access employment. Reducing worklessness is a significant challenge and will require a serious and sustained response. Critically it will require a co-ordinated response across a range of agencies and actors – schools, colleges, local authorities, the health sector, the police, the voluntary and community sector (including social enterprises) and businesses. This is exemplified by the close links between poverty, health, skills and employability.

- The proposal is to aim to reduce worklessness in these coldspots [to near to county average by 2025], using an **integrated public service delivery and caseload approach**, with a particular focus on the areas with the largest concentration.

Place Priority 2: support local place shaping programmes

...aimed at attracting younger people and families

10.10 People will be attracted to move to or stay in Cumbria via a combination of jobs/careers, housing and the quality of life offer. The quality of life offer depends on our places being attractive. Clearly different groups are attracted to an area for different reasons: younger people/mobile graduates are seeking career possibilities and also frequently the cultural and social attractions of larger cities; whereas those of family age give greater priority to the quality of schools and the environment for bringing up families. Research carried out by the LEP and others has shown that young people are particularly interested in the cultural offer in terms of things like music, nightclubs etc. The Great Places Lakes and Dales programme is also identifying actions that can target younger people. Our cultural facilities have seen recent investment such as in the re-imagined Rosehill Theatre and current investment from the Northern Cultural Regeneration Fund in Windermere Jetty, Dove Cottage and the Wordsworth Museum, Grasmere; and Kendal's Abbot Hall Art Gallery and Museum.

- 10.11 The quality and resilience of our town centre varies widely across the county. The strongest performing town centres are those where there is a strong fillip from the visitors economy and household incomes are highest (e.g. South Lakeland). However, all are facing the nationwide pressures on the retail sector from the growth of internet shopping and squeezed incomes. There is a need for imaginative solutions to the number of empty retail units now and in the future. The **Borderlands Growth Inclusive Deal** support the development of a quality of place programme to support investment to help revitalise and repurpose market and coastal towns.
- 10.12 The lead responsibility for place making and place shaping rests with our local authorities. The LIS encourages place-shaping actions that can help improve the offer for existing and new residents alike, particularly **place- shaping aimed at attracting and retaining younger people and families to Cumbria**. Work has already been well underway to develop town centre masterplans for several key towns including Kendal.
- 10.13 The innovative **Whitehaven North Shore** proposal is an example of a development encompassing a hotel, offices and improved visitor and local facilities that will help build on and transform the harbour area of the town. The **Carlisle Station Gateway** proposal as part of the Borderlands Inclusive Growth Deal to re-use the Citadels site in the centre of Carlisle and make the station a more attractive gateway into the city is an example of another kind of place-making activity. The Borderlands Inclusive Growth Deal proposal also is seeking funding for a wider place making programme. The development of the **Marina Village** in Barrow has been a long-term aspiration in the town to help transform the place coupled with a wholesale re-purposing of the town centre.
- 10.14 Work in developing the LIS has highlighted the importance of making places attractive to young people and the critical role of the cultural offer. Actions will include:
- Improving the cultural and creative offer for residents and visitors - including cultural facilities, activities and festivals (building on the potential Cultural Strategy for Cumbria) and better joined up promotion.
 - Creating innovative and new forms of housing.
 - Supporting the development of new thinking about the future for town centre - using innovative ways of re-using and re-vitalising empty retail units.
 - The new £675 million Future High Streets Fund provides a real opportunity for towns in Cumbria to develop and implement plans to re-think their town centres.

We need **bold plans** for the transformation of all our key places in Cumbria: to re-purpose and improve the town centres and make them attractive

Policy Ask 13: retain the small business rate relief scheme which encourages start-up and fledgling town centre businesses and business rates retention

Place Priority 3: Support a larger number and wider range of housing in Cumbria to attract people to the county

10.15 Local Plans set out the number and proposed spatial distribution of housing across Cumbria. All Local Plans have a policy of focusing new housing on the key towns in each area. Local Plans also set out affordable housing policies for new development which range from 20% to 40% of new housing. The LIS supports place making activity that helps increase the range and type of new housing to meet the needs of the economy, particularly new forms of housing that could attract new demographic groups such as:

- Town centre living either in new or converted buildings
- Refurbishment/reuse of existing housing stock where not fit for purpose.
- We also need to ensure that quality of the existing housing stock is maintained and, where needed, enhanced.
- Secure different and attractively designed homes to attract people to live here

Policy Ask 14: *in parts of Cumbria we need to better control the loss of housing to second homes; we seek a new Use Class for second homes in National Parks to better control the loss of important housing for local workers that are an important part of our local talent pool.*

Linked to Infrastructure Priority 3

Place Priority 4: Encourage bespoke local area economic diversification strategies

10.16 The LIS supports:

- Activity that encourages the growth of visitor spend outside the core tourism destinations in Lake District/ Cumbria to West Cumbria and elsewhere by improving facilities and marketing (to increase tourism spend in these areas to help diversify the local economy, building on the “attract and disperse” strategy described in para 8.26).
- Specific actions which will aid the diversification of the economy of Barrow/Furness and Copeland/West Coast. Copeland District Council and partners have embarked on a Copeland transformation programme to diversify the local economic base. Partners in Furness are developing the concept of an **advanced manufacturing innovation district** that would build on the range of advanced manufacturing activity and opportunities linked to the BAE system supply chain and from other business in the area.

10.17 The LIS has actions aimed at supporting diversification at a sectoral level across Cumbria, it is for each area to develop local economic diversification where they are needed. The North Shore proposal is an example of a project that, if successful, could help diversify the economy of Whitehaven.

Policy Ask 15: *ensure that the disadvantaged parts of Cumbria are retained as Assisted Area under any successor ‘Assisted Areas’ map developed by government, and that there is the ability to support non-SMEs in Tier 2 areas.*

Place Priority 5: Ensure good quality basic services of education, health, social care and child care...

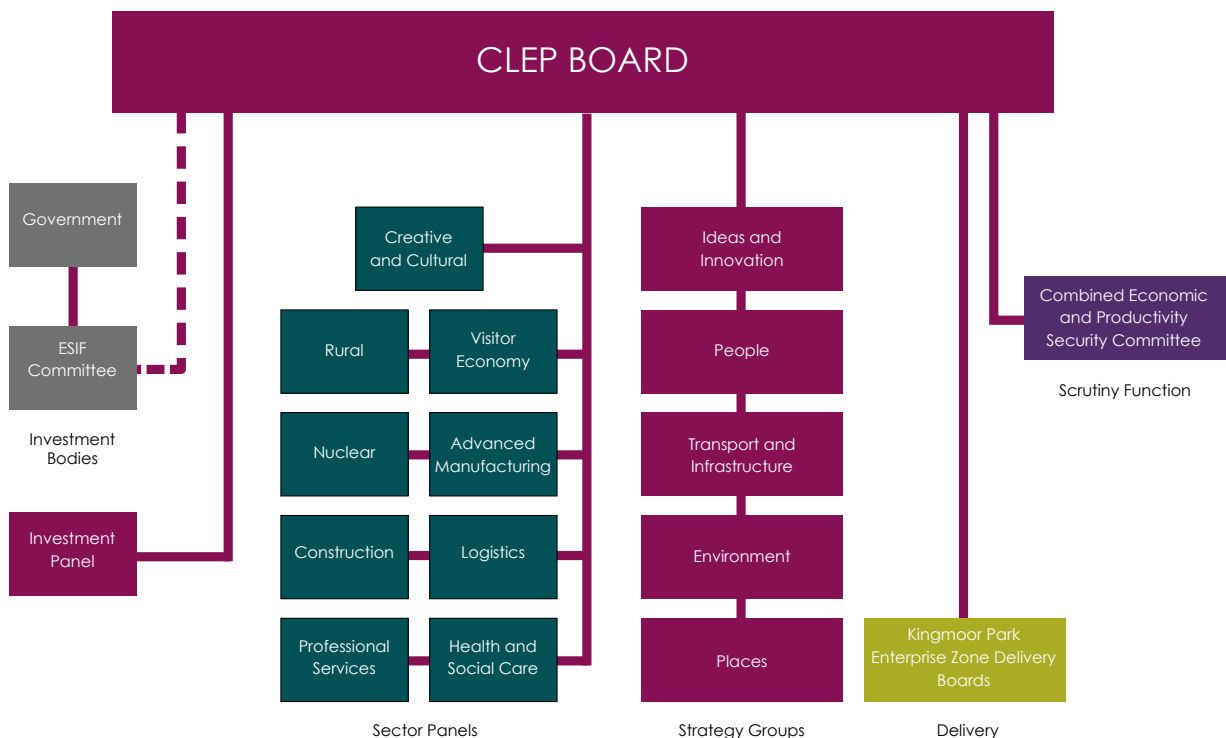
...to meet the needs of existing residents and new incomers of working age alike.

10.18 A strong theme from the consultation events and from employers seeking to recruit staff to live and work in Cumbria is the need to ensure that the basic services that people need are available throughout Cumbria, in particular, health services and education. The effective delivery of these services requires the right levels of funding used in an effective way, the right staff (linking to the importance of attracting and growing talent in the LIS) and also consideration of new models of delivery and organisation.



11. Governance and delivery arrangements

11.1 The CLEP Board has overall responsibility for the delivery of the LIS and has updated its governance structure to ensure that Sub-Board governance bodies and their work programmes are focused on delivering strategic objectives and priorities for action outlined within the LIS. The revised structure is as outlined below:



- 11.2 The responsibility for investment activity has been delegated to the Investment Panel, in line with their scheme of delegation from the CLEP Board. The Panel will invite and receive feedback from other bodies in the governance structure to help inform its decision making. This Panel is chaired by the Deputy Chair of CLEP.
- 11.3 CLEP's five Strategy Groups have been designed to replicate government's five drivers of productivity to ensure that activity and resource is focused on these. Each of the Strategy Groups is chaired by a LEP Board member ensuring a direct line of accountability to the Board. The exception to this is Transport and Infrastructure, which is chaired by the statutory transport authority, with the Deputy Chair of this Group, who is a Board member fulfilling the accountability function.
- 11.4 Nine Sector Panels have been formed, with this number required to reflect the polycentric nature of Cumbria's economy. At headline level the Sector Panels will be responsible for facilitating the growth and productivity of their sector.
- 11.5 Membership of the Strategy Groups has been drawn from the private, public and voluntary sectors with the exact proportions reflecting the individual make-up of the sectors.
- 11.6 The Kingmoor Park Enterprise Zone Delivery Board has been established to oversee the implementation of the Enterprise Zone, with membership drawn from the CLEP Board, public sector and Kingmoor Park Executive Team. The Delivery Board is chaired by a CLEP Board member to ensure a direct line of accountability.
- 11.7 A Combined Economic and Productivity Scrutiny Committee has also been established to scrutinise the activity, investments and interventions of CLEP. The membership of this is drawn from elected members in the seven constituent Local Authorities – Cumbria County Council and Allerdale, Barrow in Furness, Carlisle, Copeland, Eden, South Lakeland District Councils – with Cumbria County Council co-ordinating this function. The Chair and Chief Executive will attend to this Committee to account for CLEP's performance.
- 11.8 The Local Assurance Framework provides detailed Terms of Reference and membership for all of CLEP's governance bodies.

Partnerships and partners

- 11.9 There will be a table of partners and timetable for action for each Priority in the final LIS. This will emphasise the need to build on those partnerships and joint activity that is already working well in Cumbria (such as the collaboration between University of Cumbria and Lancaster University on programmes such as Cumbria Innovations Platform (CUSP) and the Productivity through People Programme).



12. Investment Planning

12.1 At present there has been no specific new money allocated for the implementation of each LIS. The LIS is therefore not a bidding document for new resources from a dedicated fund. Rather Cumbria and its partners need to:

- Concentrate on making better use of **existing public sector resources** that are available and used across the county.
- Making use of the **underused assets** such as our retired population and people engaged in social and community activity (for instance in mentoring) and by connecting better existing businesses and people.
- Ensuring that public bodies and, particularly, businesses make better use of **existing national and other funding sources** whether from organisations such as Innovate UK or the British Business Bank.
- Levering more value from **major private sector investment and spend** – such as the supply chain spend associated with nuclear decommissioning work at Sellafield or the submarine building programme in Barrow.
- Continuing to make the best possible business cases for **national funding sources** that are available on a competitive, bidding basis.

12.2 The 2019 Spending Review will provide future funding opportunities that are not currently identified. Known potential future funding opportunities include:






- The future **UK Shared Prosperity Fund** to be introduced from 2020 after the 2019-Spending Review. This will replace most of the current funding received by or influenced by LEPs (including and importantly ESIF monies). The overall focus of this Fund as stated by government is to “tackle inequalities within communities by raising productivity, especially in parts of the UK whose economies are furthest behind”. This would appear on the face of it to be directly targeted on areas like Cumbria
- **Borderlands Inclusive Growth Deal** which has had £260 million of funding confirmed from UK Government and the Lancaster and South Cumbria Investment Plan
- Future Defra support for **farming and land use management** (as noted earlier work is ongoing in Cumbria in trialling new approaches to a future Environmental Land Management System under the new UK Agricultural policy)
- Future funding to support the development of ultrafast broadband and other connectivity especially in rural areas such as the **Rural Gigabit Connectivity Programme**
- DfT funding for the Major Road Network and through the Road Investment Strategy (RIS2) for 2020-2025
- DfT funding for the railway network through Control Period 6 (CP6) for 2019-2024
- Homes England for unlocking investment in new housing sites via the Housing Investment Fund (to which a bid has already been submitted)
- The new competitive £675 million Future High Streets Fund and the new £1.6 billion Stronger Towns Fund from MHCLG
- Future retained business rate growth arising from Kingmoor Park Enterprise Zone
- Opportunities from business rates retention and future Business Improvement Districts (BIDs)
- Access to research and innovation funding through industry collaboration with HEIs
- The Industrial Strategy Challenge Fund which “aims to bring together the UK’s world-leading research with business to meet the major industrial and societal challenges of our time” and is aligned to the four grand challenge
- UK Research and Innovation’s Strength in Places Fund.














Policy Ask 16: *aligning future departmental funding with Local Industrial Strategies and prioritises investment on boosting productivity in weaker economies in order to deliver inclusive growth across the UK; and encourage cross LEP funding and activity where there are similar economic geographies.*






















13. Appendix A: Our Policy Asks








A summary of our policy asks for government

Links to relevant Strategic Objectives

-  Growing and using our talent pool
-  Capitalising on our productivity, innovation and enterprise potential
-  Ensuring all our residents contribute by sharing prosperity and opportunity
-  Exploiting under-developed economic opportunities
-  Improving connectivity

Policy Ask	Link to Cumbria LIS Policy Response
POLICY ASKS OF BEIS	
<p>Policy Ask 2: Currently, there is no government endorsed body with responsibility for the entire nuclear life cycle from new build to de-commissioning and disposal. The lack of such a mandated organisation together with government's developer-led model inhibits the development of new nuclear with recent decisions in relation to Moorside and Wylfa being examples of this. It would therefore be helpful for government to reconsider the developer-led approach and to formally mandate an organisation to undertake this role by creating a new whole-cycle organisation or extending the remit of the Nuclear Decommissioning Agency.</p>	
<p>Policy Ask 4A: Building on Cumbria's nuclear expertise, BEIS to work with CLEP to move forward and implement the nuclear sector deal and to identify the place-based interventions and contributions Cumbria can make to growing the sector.</p>	  
<p>Policy Ask 4B: Ensure the Cumbria plays its full role in the implementation of the offshore wind sector deal, including its potential role in expansion of the UK supply chain and in exporting expertise.</p>	  
<p>Policy Ask 5: ensure that the Shared Prosperity Fund does not have the same sectoral limitations as current EU funded activity and is able to support activity across all Cumbria's key sectors (including farming and nuclear) and has a clear focus on rural development or if not there is alternative support for rural areas via other funding streams.</p>	 
<p>Policy Ask 15: ensure that the disadvantaged parts of Cumbria are retained as Assisted Area under any successor 'Assisted Areas' map developed by government, and that there is the ability to support non-SMEs in Tier 2 areas.</p>	 
<p>Policy Ask 16: aligning future departmental funding with Local Industrial Strategies and prioritises investment on boosting productivity in weaker economies in order to deliver inclusive growth across the UK; and encourages cross LEP funding and activity where there are similar economic geographies.</p>	 

Policy Ask	Link to Cumbria LIS Policy Response
POLICY ASKS OF DEFRA	
<p>Policy Ask 1: CLEP to work with Defra and BEIS to trial and test the development of practical natural capital payment and investment plans with Cumbria as the testbed; to develop Cumbria as the UK's first Natural Capital Innovation Zone to develop integrated, place-based and locally-led initiatives that contribute to the delivery of both the Industrial Strategy and the 25-Year Environment Plan</p>	 
<p>Policy Ask 6A: Cumbria welcomes the publication of the Agriculture Bill setting out how farmers and land managers will in future be paid for "public goods". However, what this means in practice needs spelling out sooner rather than later to allow farmers and others to make informed investment decisions, and that the future system of farm support and landscape/ environmental post-Brexit addresses unique needs of Cumbria's upland farming and landscape areas.</p>	
<p>Policy Ask 6B: Cumbria has more statutory protected sites than anywhere else in the country and our natural capital is a vital part of our economy. After Brexit and we leave the current EU legislative regimes, we need a robust Environment Bill that would put the maintenance and recovery of our natural assets on to a firm statutory footing with independent oversight.</p>	
POLICY ASKS OF DCMS	
<p>Policy Ask 4C: Recognising the significance of the visitor economy, DCMS to identify Cumbria as a Tourism Action Zone within the emerging tourism sector deal.</p>	  
<p>Policy Ask 4D: Ensure that government migration policy recognises the particular challenges faced by the tourism sector in accessing labour in rural areas (especially the Lake District) and ensures this is addressed in the post-Brexit migration regime (potentially via a geographically focussed exemption for the proposed salary cap on migration).</p>	 
<p>Policy Ask 7A: DCMS to work with Cumbrian partners to deliver investment through the Borderlands Deal for 4G infill and to develop future rural 5G trials and smart rural pilots.</p>	 
<p>Policy Ask 7B: In line with the Future Telecoms Infrastructure Review ensure the deployment of full fibre infrastructure in commercially unviable areas and encourage 5G roll-out so that rural areas are not left behind.</p>	
<p>Policy Ask 7C: ensure that we have direct HS2 services to London from West Coast Mainline stations serving Cumbria and that there is sufficient capacity to avoid any diminution of existing services.</p>	
POLICY ASKS OF MHCLG	
<p>Policy Ask 10: ensure access to expertise and capacity funding to support the advancement of strategic sites, including further rounds of garden village settlements – as this could be a key tool to help Cumbria address its future population deficit and demographic challenges.</p>	
<p>Policy Ask 11: re-introduce the former gap funding regime for property developments in disadvantaged areas.</p>	 
<p>Policy Ask 12: update baselines for Enterprise Zones for purposes of assessing business rate growth</p>	
<p>Policy Ask 13: in parts of Cumbria we need to better control the loss of housing to second homes; we seek a new Use Class for second homes in National Parks to better control the loss of important housing for local workers that are an important part of our local talent pool.</p>	 
<p>Policy Ask 14: retain the small business rate relief scheme which encourages start-up and fledgling town centre businesses and business rates retention.</p>	 

Policy Ask	Link to Cumbria LIS Policy Response
POLICY ASKS OF DFT	
<p>Policy Ask 8A: ensure that the rail franchisees deliver effective and efficient connecting services across Cumbria, to the West Coast Mainline and Manchester Airport.</p>	
<p>Policy Ask 8B: ensure that government transport appraisal criteria take proper account of reliability and resilience issues, the need to service nationally strategic employment locations and full benefits from the visitor economy.</p>	
<p>Policy Ask 8C: ensure that government transport appraisal criteria take proper account of reliability and resilience issues, the need to service nationally strategic employment locations and full benefits from the visitor economy.</p>	
<p>Policy Ask 9: Government to provide direct incentives to support the delivery of bus services in rural areas.</p>	 
POLICY ASKS OF DFE	
<p>Policy Ask 3: the development of Ebaccs has created a straitjacket for the school curriculum and we would like schools and colleges in Cumbria to develop a more expansive and broader curriculum. with DfE considering dropping the focus on the Ebacc subjects at GCSE.</p>	 

14. Appendix B: Cumbria's Sector Skills needs

Sector	Key Challenges
Advanced manufacturing	<p>There are identified skill shortages in the following areas:</p> <ul style="list-style-type: none"> • Technical R&D skills • People Management • Leadership and Management • Sales and Marketing • IT and software engineering • Design engineering • Material, polymer and chemical science
Construction	<p>The skills gaps identified through the analysis of need, workforce levels and skills provision are as follows:</p> <ul style="list-style-type: none"> • Logistics • Civil Engineering • Trades • Plant Mechanics • Specialist Building Operatives. • Areas in which there are unlikely to be skills gaps include: labourers, surveyors, plumbers, roofers, floorers and bricklayers
Health and social care	<p>The report acknowledged the role of the employer in helping to address the skills shortages including:</p> <ul style="list-style-type: none"> • Care staff • Social workers • Nurses • Adult Care workers <p>There are also challenges in recruiting and retraining GPs and hospital-based consultant staff across Cumbria.</p>
Logistics	<p>The Panel has reviewed a range of data for the sector in Cumbria and across the region and have identified the following skills shortages</p> <ul style="list-style-type: none"> • Driver shortage • Leadership and Management • People Management • IT
Nuclear	<p>The skills needs for the following occupations across the sector will remain constant:</p> <ul style="list-style-type: none"> • Nuclear operations • Programme and project management • Scientific and technical; and • Business functions <p>However, there will be increased demand for:</p> <ul style="list-style-type: none"> • Engineering; and • Trades. <p>Within the supply chain, the reported skills gaps are:</p> <ul style="list-style-type: none"> • Project Management • Civil Engineering • Control and protection system engineering • Health and Safety • Environmental engineering • Quality control

Sector	Key Challenges
Professional services	<p>The panel has reviewed data for the sector and identified skills shortages for:</p> <ul style="list-style-type: none"> • Accountancy • Sales • Relationship Management • IT • Legal Services
Rural economy	<p>The skills shortages identified have included:</p> <ul style="list-style-type: none"> • Employability skills, • Technical farming skills and use of technology, • Service delivery, • Business support, • Professional development including leadership and management, project management, • Communication skills
Visitor economy	<p>The main areas of skill and behavioural shortages recognised are:</p> <ul style="list-style-type: none"> • Employability skills, • Classic chef, head chef, production chef i.e. chef de partie, • Food and beverage skills • Housekeeping • Receptionist • Sports/fitness coaching • Beauty therapy • Customer care and sales; • HR (including transformational change) • Finance/legal • Marketing • IT leadership and • Management and project management.

Source: Cumbria Skills Infrastructure Plan 2016 and Employer Sector Skills Panels

15. Appendix C: Cumbria's Key Sectors

- 15.1 Note: at present this analysis is not fully aligned with the LEP's sector groups as it is in part determined by data availability (so for instance there is no accepted definition or data on "advanced manufacturing").

Land-based industries

Key data: around 7,500 people work as their main job in agriculture/forestry or around 3.1% of all people in work (rising to 8% in Eden), but with around 12,000 people engaged in part with agriculture or forestry. Generated £250m in GVA in 2016 but this fell to £185m in 2017 (2% of Cumbria total) and in addition farmers get over £100m pa in farm support payments. Cumbria is highly specialised in this sector (more than three times the national average).

- 15.2 Land based industries play an important role in Cumbria that goes well beyond these economic statistics. Farming sits at the core of the rural economy and support a large **upstream** supply chain (feedstuffs, vets etc.) and **downstream activity** (livestock marts, cutting and processing of meat, and food manufacturing – particularly dairy products).
- 15.3 The crucial role of farming in continuing to shape and manage the natural environment and so natural capital of Cumbria cannot be underestimated, nor the role of farming and farmers in providing critical social glue in our rural areas. Cumbria has a particularly high concentration of upland livestock farming and our upland sheep farms are an important source of breeding stock for the whole of the UK; it also is one of the key areas for dairy production in the UK. Cumbria is also an important centre for forestry and as with farming there are important upstream processing industries based in Cumbria (saw mills and paper/pulp products).
- 15.4 We have an important forestry sector as well which fills several functions: timber processing (around 1,500 people employed); source of timber and bio-renewable fuels; carbon capture and storage; and recreation.

Tourism/Visitor Economy

Key data: in 2017 there were an estimated 47 million visitor to Cumbria of which around 6.6 million were overnight visitors. Direct spend by visitors supports around 8% of Cumbria's GVA and around 28,000 jobs and this rises to around 11% when supply chain and multiplier effects are taken in to account.

- 15.5 Cumbria, and the Lake District National Park in particular, is one of the most successful areas for tourism in the UK. Cumbria commands a significant part of England's rural tourism market share built up over decades through continual investment and upgrading in quality and range of tourism product. The visitor economy acts as a lifeline to many of the remotest areas of Cumbria.
- 15.6 Cumbria attracts both visitors and those who want to settle here and run businesses. Our environment, our culture and our way of life are fundamental to the success of tourism and the well-being of the people who live here. Now with the Lake District being a UNESCO World Heritage Site, a second such status for the county, we have a game changer for the county as a whole.
- 15.7 The Lake District and wider Cumbria is increasingly recognised as a world class visitor destination with international and UK wide appeal. Countywide tourism research demonstrated that in 2017 it welcomed 47 million visitors, made up of 6.6 million overnight stays, and 40.7m day visits. Approximately 10% of our visitors are international visitors.

- 15.8 As well as the natural and man-made landscape, Cumbria has a range of tourism attractions, high quality accommodation/restaurants and facilities that are key to its attraction to visitors, many of whom have seen substantial investment. Many of our **cultural facilities** from the Theatre by the Lakes in Keswick, to Abbot Hall Art Gallery in Kendal, to the Tullie House galleries in Carlisle are in large part sustained by and support our visitor economy. There is a strong overlap between the visitor economy and the creative sector in Cumbria. There are a wide range of festivals from mountain films and food festivals, to jazz and literature that support our visitor economy and also provide interest to residents.
- 15.9 Regionally there are growing numbers of international flights in to Manchester Airport – Japan, China, USA and now India - as well as via Newcastle and Liverpool. Cumbria's extraordinary and renowned beauty compliments the major city destinations on its doorstep and regional DMOs are working closely with Visit England/Visit Britain to maximise the benefits and increase international visitor numbers, dwell time and spend in the region. The opening of Carlisle Lake District Airport also provides an opportunity to attract more inbound tourism.
- 15.10 The overall value of tourism in 2015 as reported by Cumbria Tourism was £2.6 billion based on STEAM data (which rose to an estimated £2.9 billion in 2017). However, it is important to recognise that this is not the same as Gross Value Added (GVA). The total value of direct spend by visitors was in 2015, according to Cumbria Tourism figures, £1.95 billion (supporting 28,100 FTE jobs). This can be converted to the estimated direct GVA generated in the sectors in which the spend takes place directly. On this basis, the direct GVA supported by visitors was estimated at £890 million in 2015 with an average GVA per FTE job of £32,000³⁴.
- 15.11 To put this in context, the total GVA of Cumbria in 2015 was £11.2 billion. Therefore estimated direct visitor economy spend supports direct GVA that is around 8% of Cumbria's total. Taking account of indirect multiplier effects the overall contribution is more like 11% of all GVA. The share of Cumbria's jobs that are supported by direct spend alone is higher at around 12% . On any basis tourism is an absolutely critical part of Cumbria's economy.
- 15.12 The visitor economy is far from evenly spread across Cumbria. Roughly half of all tourism spend occurs in the Lake District National Park area, yet this is only a small part overall of the Cumbrian economy. Geographically, the LDNPA is around a third of the county overall. The sector has been facing significant problems in recruiting staff recently especially in the Lake District and faces a particular challenge post Brexit as a result of likely limitations on migrants workers in the sector. There is a need to work with the sector to help address current and future recruitment challenges through careers advice, training and transport initiatives.
- 15.13 An ongoing challenge and opportunity for tourism in Cumbria is to successfully implement the "attract and disperse" strategy which seeks to encourage more visitors to go to less touristed parts of Cumbria to enable the overall quantity of tourism and its benefits to be spread more widely without leading to locally adverse tourism congestion impacts.

Manufacturing

Key data: overall the manufacturing sector supports around £2.6 billion in GVA or 25% of Cumbria's economy and 39,000 jobs or around 16% of the total. We have particularly significant concentration of manufacturing the share of our GVA places as 3rd and of jobs 1st in terms of all LEP areas.

- 15.14 The manufacturing sector in Cumbria is concentrated in a small number of sub-sectors that collectively account for 83% of all GVA in manufacturing and 87% of all jobs in manufacturing (we are limited in our ability to disaggregate the GVA):

- Nuclear

³⁴ Based on the analysis carried out for the Rural and Visitor Economy Growth Plan

- Shipbuilding
- Wood, paper and pulp products
- Rubber and plastics
- Food and drink manufacturing.

15.15 Several other important manufacturers in Cumbria are also involved in supply chains for these key sectors (for instance many engineering firms). The advanced manufacturing sector cuts across many of these sub-sectors.

15.16 Many of the sub-sectors of manufacturing in practice may be accounted for by just one or a few plants that operate in Cumbria in their own niches. The sub-sector with the largest number of firms spread most widely across Cumbria, especially the M6 corridor for distribution reasons, is food manufacturing which ranges for large scale manufacturing plants in Carlisle, to a wide range of medium-sized firms spread across the county to small artisanal producers.

Sector	Total GVA £ms	% all manufacturing GVA	% all GVA	Jobs (from BRES)	Share of all jobs
Food, beverages & tobacco	£320	12%	3%	5,500	2%
Wood & paper products & printing	£260	10%	3%	2,900	1%
Rubber, plastic & non-metallic minerals	£280	11%	3%	4,500	2%
Basic & fabricated metal products (mainly nuclear)	£630	25%	6%	12,750	5%
Transport equipment (shipbuilding)	£600	23%	6%	7,200	3%
All of the above	£2,294	84%	19%	34,520	14%

Source: Analysis of ONS GVA BRES data. Note: employed and GVA figures will be particularly out of date for the shipbuilding sector

Nuclear

Key data: based on the nuclear industries association data there are around 24,000 nuclear sector related jobs located in Cumbria (excluding defence nuclear), this is nearly 10% of Cumbria's workforce. Employment is highly concentrated in the West Coast, especially Copeland where Sellafield is based. However, many firms in the nuclear supply chain are located elsewhere in the county.

15.17 Cumbria is, as noted elsewhere in the LIS, a world centre for nuclear industries, particularly in relation to nuclear decommissioning and reprocessing fuel, building on the expertise at Sellafield, at Drigg Low Level waste depository and at the NNL. As set out in Section 7 on ideas there is a cluster of skills, training, testing and research facilities and a strong supply chain of engineering business located in Cumbria, as well as serving the major nuclear players in Cumbria, several Cumbrian engineering firms export their expertise to other countries.

15.18 A recent study emphasised the importance of Sellafield to the Cumbrian economy³⁵. In 2016/17 it:

- Directly employed 9,500 FTE jobs in Cumbria and had an overall supply chain spend in the UK of £1.3 billion of which £660 million was spent in Copeland

³⁵ The Economic Impact of Sellafield, June 2017, Oxford Economics

- Contributed £1.3 billion to the Cumbrian economy (nearly all of it in Copeland due to the location of the workforce there and the spending there) and
- Overall supported 24,000 FTE jobs of which 21,000 were supported in Copeland
- However, the study pointed out that direct employment at Sellafield Ltd was likely to fall by around 3,000 as a result of the change in scope of activity at Sellafield (end of re-processing) and increased efficiency.

15.19 Although the recent news about Toshiba's withdrawal from the proposed new nuclear build project in Moorside was a setback, there remain many opportunities linked to nuclear activity and facilities in Cumbria (as discussed elsewhere) and many of the supply chain firms are developing overseas markets.

Energy (other than nuclear)

Key data: direct employment by the energy sector other than nuclear is relatively limited in 2017 it employed around 650 people and generated £125m in GVA. However, these figures do not take account of the economic activity generated as a result of construction work (eg in installing the world's largest offshore wind firm).

15.20 There is considerable potential for the energy sector in Cumbria in terms of new investment activity and or businesses involved in the supply chain locally and globally arising from:

- Tidal power projects
- Potential additional offshore wind and offshore oil and gas investment
- Micro hydro and bio-mass generation.

Shipbuilding

Key data: the current estimated workforce of BAE Systems in Barrow is around 8,500 (and it has grown rapidly in recent years).

15.21 As well as being the prime contractor for the seven nuclear-powered submarines in the Royal Navy's Astute Class programme, BAE Systems' submarines business is the industrial lead for the new Dreadnought programme nuclear submarines designed to replace the current Vanguard class.

15.22 A very important sector has experienced rapid growth of around 3,500 jobs since 2013 as a result of the scaling up of activity linked to the Dreadnought new national nuclear deterrence submarine programme focussed on Barrow. In 2016 when direct employment in Barrow was 7,100 BAE Systems was estimated as supporting overall around 9,600 jobs in Cumbria³⁶ – this figure will have increased since then.

15.23 There is considerable new technology being deployed by BAE Systems at Barrow and that has been developed in the supply chain including the new digital shipyard capability.

Food and drink

Key data: around 5,500 jobs in Cumbria across a range of sectors from processing of local agricultural products for global markets to artisanal produce linked to the tourism sector. Main concentration of businesses is in Carlisle and Eden but spread along the M6 corridor.

³⁶ The Contribution of BAE Systems to the UK Economy, Oxford Economics, November 2017

- 15.24 Cumbria is host to a wide range of food and drink business from Kendal Nutricare and Nestle making specialist milk products drawing on the local dairy sector to supply global markets, the Lakes Free Range Eggs Company now national supplier to McDonalds, to business supplying national supermarket with fresh foods, biscuit manufacturers and a wide range of smaller scale producers that supply the tourism sector and build on the Cumbria brand (eg Hawkshead Relish) as well as many micro brewers.
- 15.25 There remain opportunities to increase further the value added linked to some of the agricultural produce from Cumbria (eg milk and meat products) and to build on the opportunities from the Lake District WHS designation and brand.

Wood and paper

Key data: there are around 3,000 people employed in a number of different activities in the sector all of which involve the processing of wood and paper products, that in part link to and draw on the forestry sector in Cumbria and South Scotland/North of England more widely.

- 15.26 Key firms in the sector in Cumbria are major businesses with national and global markets: Iggesund's paper mill in Workington that manufactures paperboard (and is a fossil free plant); James Cropper in Kendal manufacturing specialist paper and board products; BillerudKorsnäs plant at Beetham making paper for medical device packaging, food packaging and other types of industrial purpose; and Kimberly Clark in Barrow manufacturer of toilet tissue.

Construction

Key data: around 14,000 employees but overall some 21,000 employed in the sector across Cumbria. £800m in GVA (8% of the total).

- 15.27 The construction sector in Cumbria had seen relatively limited growth recently largely because the rate of commercial and housing development in Cumbria has been low, although rates of housebuilding in particular are now improving and GVA grew by 10% in 2017. Cumbria has above average shares of output in civil engineering and specialised construction activities. It has firms active in rail engineering (such as Stobart Rail and Story Contracting) and specialised firms that have worked in civil engineering linked to the nuclear sector (such as Shepley Engineers Ltd and Thomas Armstrong).
- 15.28 Much of the housebuilding activity in Cumbria is carried out by sub-regional housebuilding based in Cumbria such as Story Homes, Oakmere Homes and Russell Armor.

Transport and logistics

Key data: £630m GVA in 2017 (5% of the total) and 11,000 jobs.

- 15.29 The sector is especially concentrated in the east of Cumbria along the M6 corridor, building on the good connectivity there especially around Carlisle and Penrith. Carlisle is the home of the iconic Eddie Stobart brand and Stobart Group and there are many other distribution and logistics firms based in Cumbria (some serving local delivery needs, others national needs). However, Cumbria is because of its location some distance from large population areas is not a major centre for warehousing distribution in the form of regional distribution centres, rather it is a major centre for road haulage.
- 15.30 The sector faces strong competition and major long term impacts from the development of technology (increasing automation in warehousing and potentially in delivery). Carlisle Airport offers a potential opportunity for just-in-time air freight.

Professional services

Key data: around 10,000 employed in a range of professional services generating GVA of around £1,200m, largely supporting businesses and the population in Cumbria. The main concentrations are in Carlisle and in Kendal.

15.31 Cumbria stands out as having relatively low proportions of people working in the professional, scientific and technical sectors. Its degree of specialisation is some 50% below the national average, reflecting the small nature of the settlements and so less scope to develop specialisms in the sector, which tend to be clustered in larger cities. Firms that provide specialist services to the agricultural sector and tourism are important in the county. There are professional networks in Carlisle and in Kendal including young professional networks.

Health and social care sector

Key data: £800m GVA in 2017 (8% of the total) and 31,500 jobs covering hospitals, primary health care and residential care.

15.32 As in other parts of the country the sector is the major employment sector. Cumbria has a relatively elderly and to some extent dispersed population presenting challenges for the delivery of health services. The two main hospitals are in Carlisle (part of the North Cumbria University Hospitals NHS Trust) and Barrow, with the West Cumberland Hospital serving the West Coast. The south part of the county is also served by the hospital in Lancaster (part of the University Hospitals of Morecambe Bay NHS Foundation Trust). The sector has been experiencing problems in recruiting and retaining staff in Cumbria.



Creative and digital

Key data: directly measurable GVA is around £270m or 2.1% of the total in 2017, with 9,00 jobs (3.7% of the total).




15.33 In some respects one of the key features of the sector in Cumbria is its relatively small size and low levels of productivity compared to that nationally. The sector covers software and other computing, plus the creative sector. At present Cumbria does not have larger scale digital or creative businesses. It does however have a growing number of smaller niche firms and those run by people who have chosen the Cumbria lifestyle. Examples of successful businesses include The Idol – a financial sector software business set up in Cumbria that provides software for price comparison websites. There is a cluster of creative and digital firms in Kendal. Arts Council England sees South Lakeland as one of its three key cultural destinations in the North West (Manchester and Liverpool being the other two).

15.34 There are also firms who have considerable digital expertise that is applied in the nuclear sector.

16. Appendix D: Key place opportunities and challenges

Area/settlement	Summary
<p>Carlisle and surrounds</p> 	<p>Key features:</p> <ul style="list-style-type: none"> • The largest settlement and only city in Cumbria and the wider Borderlands area that draws on a wide catchment for skills and business activity • The main retail, administrative and business services centre for Cumbria • The best connectivity in terms of railway and road connections • Strong logistics and manufacturing sectors (especially food) • Major concentration of business activity and large supply of employment land to north of city (including in the Kingmoor Park Enterprise Zone) • Significant University of Cumbria presence with scope for expansion and location of Carlisle College <p>Key opportunities and challenges:</p> <ul style="list-style-type: none"> • Large centre of planned population growth to support wider Cumbria needs with largest new housing development in Cumbria at St Cuthbert's Garden Village with £102 million southern link road • Major improvements around station gateway planned parallel to significant redevelopment and hence inward investment opportunities of scale on adjoining sites • Opportunities from new commercial services from and so enhanced accessibility via Carlisle Airport • Potential expansion of the University of Cumbria's presence in Carlisle to help develop it as a university city • Further development out of the Enterprise Zone area
<p>Barrow and surrounds</p> 	<p>Key features:</p> <ul style="list-style-type: none"> • Barrow is the second largest settlement in Cumbria, but due to its geography is relatively isolated and difficult to access (by road or rail) • Has strong commuting and business links to South Lakeland and to Ulverston in particular • The local economy is dominated by shipbuilding and is benefiting from the expansion of BAE Systems as Trident replacement progresses • Also other important manufacturing employers in paper, fast moving consumer goods and the sub-sea sector • Significant offshore sector linked to oil and gas and to offshore wind • Important Port which acts as the UK's west coast hub for Orsted and a gateway to Sellafield • Location of Furness College and its Advanced Manufacturing Facility <p>Key opportunities and challenges:</p> <ul style="list-style-type: none"> • The dockyard areas have potential for an important role in supporting major development proposals and further regeneration with new investment in the Waterfront Business Park and the Marina area for business and housing. Potentially the heart of a new Advanced Manufacturing Innovation district. • Scope to re-develop the GSK site in Ulverston and plans for major new housing development in South Ulverston • In spite of strong economic performance and high wage levels has Cumbria's single largest concentration of areas and population in multiple deprivation (the 5 most deprived wards in Barrow on their own would make it around the 4th largest settlement in the County) • Barrow also has the largest concentration of poor quality housing stock in Cumbria and there is a continued need for housing renewal and the town centre has a particularly high rate of vacancies • Town centre faces particular challenges given its relatively small catchment

Area/settlement	Summary
	<p>Key features:</p> <ul style="list-style-type: none"> • The third largest settlement in Cumbria and South Lakeland's largest town, transport hub and main centre for shopping, culture, health, education and employment. • A market town with national transport links - the M6 and West Coast Main Line run through the area as does the former Lancaster Canal. • Location of Kendal Collage • Strong economic, social and environmental links with the Lancaster and Barrow, central Lake District, and to a lesser extent the Yorkshire Dales in the east. • Closest area to Lancaster University • Significant cultural assets and activities • Important centre for advanced manufacturing firms • The strongest pool of most highly qualified and skilled in Cumbria <p>Key opportunities and challenges:</p> <ul style="list-style-type: none"> • Potential location for smaller tech based and creative business seeking good access southwards with • Serious housing affordability issues across the district, especially in the areas in or closest to the national parks
	<p>Key features:</p> <ul style="list-style-type: none"> • Relatively stand-alone historic market town serving catchment of Eden district for retail, business and other services • The lowest population density of any area in England and particularly dependent on agriculture, accommodation/tourism sector and food industries. • Well positioned on M6/A66 and centre for logistics, manufacturing and firms/organisation wishing to serve all of Cumbria • Current industrial areas near full capacity • Location of Newton Rigg College, centre for land-based industries learning. <p>Key opportunities and challenges:</p> <ul style="list-style-type: none"> • Plans being developed for a new masterplan and major extension to the town • Newton Rigg College earmarked for future agri-tech investments • Labour supply constrained by small population and very low rates of unemployment • Housing affordability issues and relatively low wages in many parts of the district
	<p>Key features:</p> <ul style="list-style-type: none"> • The largest concentration nationally of nuclear skills. Major concentration of wider range of nuclear research activities, training/skills development and supply chain firms (many at Westlakes Science Park) • The least accessible part of Cumbria and dominated by the nuclear sector, particularly Sellafield • Very high wage levels and entry rates into apprenticeships as result of the nuclear sector and role of Sellafield Ltd (however high wage levels not fully benefitting local economy) • Many employers rely on a Monday to Friday commuter population • Starting point for C2C cycle route (as is Workington) and Coast to Coast walk at nearby St Bees • Continued need for renewal of existing housing stock in towns of Copeland <p>Key opportunities and challenges:</p> <ul style="list-style-type: none"> • Moorside site designated for nuclear new build and • Potential for other new nuclear activity in areas (Small and Advanced Modular Reactors) • West Cumbria Mining is planning to open a new mine to the south of Whitehaven • Western side of Lakes District is designated as the quiet part of the National Park, but considerable scope to increase visitor numbers here and in towns outside the National Park • Ambitious North Shore development plans for hotel, office and incubator space

Area/settlement	Summary
<p>Workington and surrounds</p> 	<p>Key features:</p> <ul style="list-style-type: none"> • Historical centre for iron and steel, still has major industry (Iggesund Paper) • Major employment area at Lillyhall with area of development • Locations of Lakes College and Nuclear National College • Main shopping centre for West Cumbria • Important Port with potential for an increased role in supporting major development proposals • Starting point for C2C cycle way and other cycle routes <p>Key opportunities and challenges:</p> <ul style="list-style-type: none"> • Plans for new sports stadium in lower Derwent Valley • Western side of Lakes District is designated as the quiet part of the National Park, but considerable scope to increase visitor numbers here and in towns outside the National Park
<p>Lake district</p> 	<p>Key features:</p> <ul style="list-style-type: none"> • One of the most visited National Parks in the UK with a very strong national and international brand, enhanced by recent designation of World Heritage Site status. In 2017 there were 19 million visitors staying 29 million nights and spending £1.1 billion supporting around 19,000 jobs • The economy dominated by tourism sector, which has to rely to a large degree on migrant labour and then by farming • Area of highest house prices and worst housing affordability and pressure from second homes and holiday homes • Ambleside important campus base for University of Cumbria with programmes supporting education, visitor and rural economy and health and professional services <p>Key opportunities and challenges:</p> <ul style="list-style-type: none"> • WHS status provides an opportunity to develop the international tourism offer and to help brand high quality products produced in the Lake District • Some concern that the habit of visiting the Lake District might fall off amongst younger people • Access to high quality 4G and 5G services an issue across much of the National Park • Potential challenges ahead for the farming sector in the Lake District depending on how future regime for payments to land manager for public goods operates.
<p>Other remoter rural areas (e.g. North Pennines and Alston)</p> 	<p>Key features:</p> <ul style="list-style-type: none"> • Fewer visitors and so less impact from tourism activity • Agriculture/land-based and mining sectors tend to be dominant sector (especially in east part of Cumbria in Eden Valley and North Pennines) • Face particular problems in accessing and retaining services and generally poorest mobile and broadband access <p>Key opportunities and challenges:</p> <ul style="list-style-type: none"> • These areas of Cumbria have the dark skies and are the most remote - so potential to develop the "get away from it all" offer • Some innovative business and community activities such as Cybermoor network

17. Appendix E: Links between Borderlands and the LIS

Borderlands Project / Programme	Innovation	People and Skills	Business Environment	Infrastructure	Places
Digital Borderlands	Create opportunities for innovation through better use of digital infrastructure	Reduce rural isolation and improve resilience and access to services for people	Improved digital connectivity to increase business productivity, particularly in our rural areas	Deliver improved digital infrastructure	Make our communities better connected
Energy Investment Company	Create opportunities for investment in innovative energy schemes	Through community renewable schemes help reduce the cost of energy	Increase investment in renewable energy schemes		Create places where people will choose to live and work
Quality of Place		Create places where people will choose to live and work			Investment to help revitalise and repurpose market and coastal towns
Destination Borderlands	Use of innovative immersive technologies to enhance visitor experience	Develop the skills of our visitor economy workforce, driving up wages and the quality of employment in the tourism sector through increasing the value of our tourism product	Support the visitor economy and stimulate private sector and business investment		Improve the cultural and leisure offer to increase attractiveness of places
Knowledge Exchange Network	Create the conditions to increase innovation	Improve the accessibility of education and training	Stimulate increased levels of skills development by businesses to increase productivity		Create more opportunities for people to live, work and learn in the Borderlands
Business Infrastructure Programme			Provision of readily-available sites and premises to support business growth	Investment to unlock sites and premises	
Carlisle Station Gateway		Create facilities that will attract young people to Cumbria	Provision of opportunities to support business growth and to increase business productivity	Improved connectivity and accessibility to and from Carlisle Station	Revitalisation of Carlisle City Centre through creating activity to increase footfall and vibrancy
Borders Railway				Feasibility study for improving connectivity and resilience	
Natural Capital Innovation Zone	Development of new and innovative approaches to land management and ecosystems		Recognise the value of natural through land management based business activity		



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Cumbria's Local Industrial Strategy, March 2019

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