

CUMBRIA ECONOMIC STRATEGY 2009 - 2019



Cumbria's VISION –

“To be an energised and healthy environment, and one of the fastest growing economies in the UK. Building on the county’s major assets, including its unique landscape and natural resources, skills base in nuclear energy and marine engineering and its attractiveness as a place to live, work and visit; the delivery of a range of innovative and sustainable projects will secure a better quality of life for current and future generations.”

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PART ONE: EXECUTIVE SUMMARY



Cumbria - The Lake District: Brains and Beauty

Cumbria is the most beautiful and unique county in England. At almost 7,000 square kilometres, it is the second largest county but with just under 500,000 people living here, it is also one of the sparsest populated

Home to The Lake District, flanked by the Pennines and with mile-upon-mile of stunning coastline, nowhere else in England boasts such a rich variety of inspirational and exhilarating landscapes. With around 15,000,000 visitors every year, there is a strong interdependency between land based industries which help preserve the landscape for tourists to enjoy, and associated supply chain businesses involved in Food & Drink, Retail, Hospitality, Outdoor & Cultural provision.

Cumbria also possesses the brains to match this beauty and has proudly positioned itself as a world-leader in the maritime, engineering, and nuclear industries. There is simply no better place to live, work or visit!

We are not a 'me too' county. Our strategy is designed to look to the future and build our identity and heritage to exploit opportunities emerging from energy and climate change imperatives (amongst others) to create a strong, sustainable and prosperous economy.

..... **And yet**, despite the obvious beauty of the county, Cumbria faces a range of underlying economic challenges that arise partly from the geography and history of the county, and partly from the many external factors that have had a negative impact over the past two decades; The 2001 Foot and Mouth Disease outbreak, competition from low-cost airlines and global tourism, the decline of traditional manufacturing industries, steelworks, mining and the decommissioning of the Sellafield nuclear site. In short, there are a number of significant problems that need to be addressed if we are to secure a healthy economic future for the county.

More than any other county, Cumbria has developed a strategy that recognises its sense of 'place', not only in a regional setting, but also nationally and internationally, in order to address the global challenges and opportunities. The world is dynamic and so are we:
Cumbria is open for business!

Meeting the Challenges – The Strategy for Cumbria

To achieve our vision for Cumbria, we need a two-pronged approach. Firstly, we need to capitalise on our existing strengths in terms of the 6 identified priority business sectors, and secondly, to enable truly sustainable communities to develop, we need to develop the cross-cutting themes which underpin the economy. In recognition of the interlinked dependencies we have looked at linking the spatial requirements of infrastructure, connectivity, housing, etc. especially in a largely rural county with a more industrialised Western coastline.

The diagram below shows how the Cumbria Economic Strategy acknowledges Cumbria's strengths and builds upon the priorities identified in the 11 Strategic Action Plans which were completed in 2008 (see www.cumbriavision.co.uk for details). It also illustrates how the Sub Regional Action Plan (please refer to appropriate version) will contain funded programmes and projects designed to address the challenges identified in the strategy.



Delivering the Strategy

In July 2007 Cumbria Vision commissioned a report which identified 92 different organisations involved in the provision of service delivery. In June 2008 a Statement of Intent for Regeneration in Cumbria was issued by Cumbria County Council, Northwest Regional Development Agency and Cumbria Vision which outlined how the key Cumbria partners are planning to enhance regeneration delivery to meet strategic aims.

The proposal has resulted in the formation of four Area Delivery Boards. Each Board will be a public/private sector partnership and will be chaired by a private sector representative. The four area Boards will be Barrow, Carlisle, West Cumbria, Eden and South Lakeland. These arrangements will be in place by April 2009.

The strategy cannot be delivered by the Delivery Boards alone. It will be achieved in partnership with all public and private sector investors locally, regionally, nationally and internationally.

Strategy Development – The Golden Thread

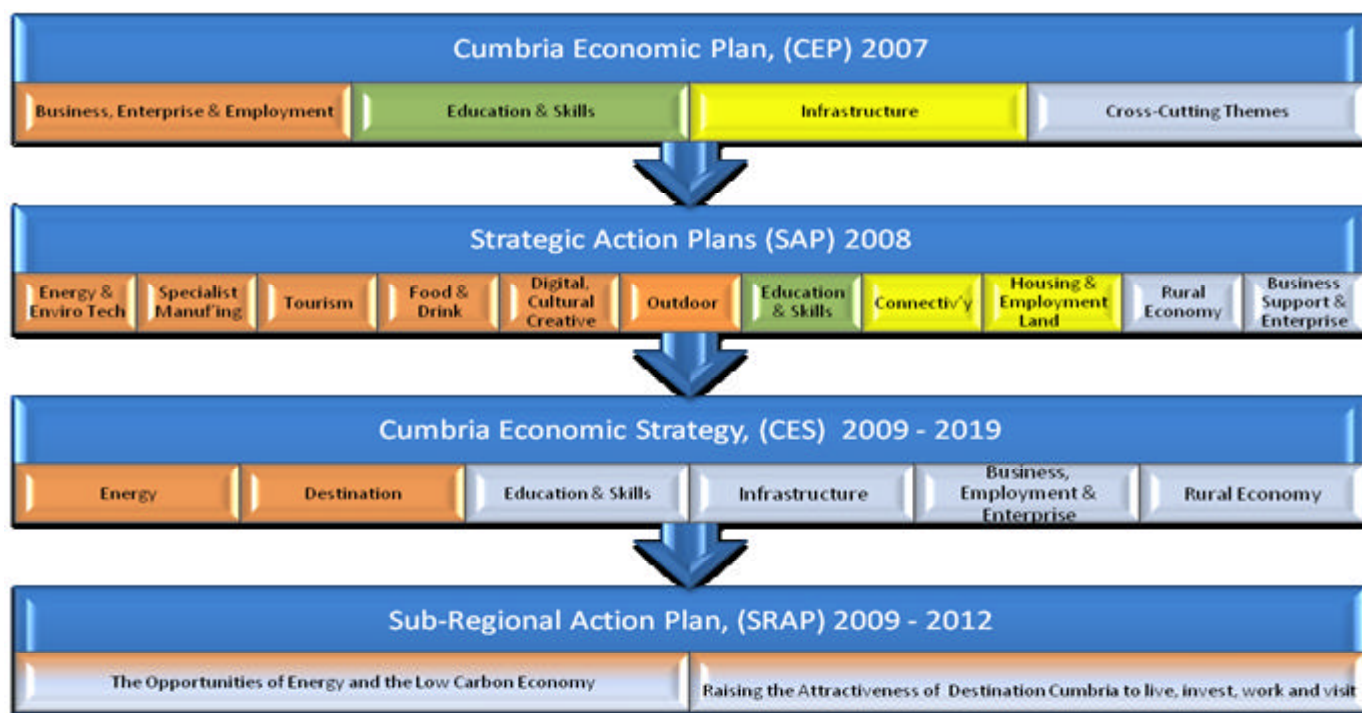
In 2007, Cumbria Vision published the first economic strategy for Cumbria which outlined the combined aspirations of the county: **The Economic Plan**.

Having taken cues from the **Regional Economic Strategy**, it aimed to translate these into what Cumbria partners saw as their priority action business sectors and cross cutting themes. Whilst endorsed by the Cumbria Vision Board and the Cumbria Strategic Partnership, it was acknowledged that more work would be needed to evidence the issues and challenges, together with enabling some better form of prioritisation for programmes and their effects on the future Cumbrian economy.

Subsequently, we developed 11 **Strategic Action Plans** on each of the 6 priority business sectors, and the 5 identified cross cutting themes. This was done in full partnership and subject to formal consultation.

The culmination of this activity, together with the increasing need to ensure complete focus on the real unique aspects of the Cumbrian economy, meant that we could now clearly see 2 emerging consolidated priorities, and 4 main supporting facilitators. These 6 themes have been expanded in detail in the re-written strategic overarching document, now called the **Economic Strategy**

The diagram below with its colour coding aims to show the strategy development from the Economic Plan, to the **Sub Regional Action Plan**, which ultimately captures the rolling programme of activity designed to turn strategy into action in order to achieve our goals.



Strategy in Partnership

Cumbria Vision exists to provide strategic leadership, policy development and oversee the implementation of the Cumbria Economic Strategy. Cumbria Vision will provide an effective voice for Cumbria on economic development issues and will seek to influence regional, national and international policy to ensure economic growth in the County.

This Economic Strategy aims to ensure that through a series of co-ordinated programmes and funded activity, we can achieve our vision: 'To be the most energised of healthy environments in the world, and one of the fastest growing economies in the UK'. This strategy will only be delivered by a partnership approach to implementation involving the public, private and voluntary sectors.

This is not Cumbria Vision's Economic Strategy; **it is the Economic Strategy for Cumbria upon which our plans are based, and it is endorsed by the executive membership of the Cumbria Strategic Partnership.**

Allerdale Borough Council Cumbria	Eden District Council
Arts Council North West	Eden Homes
Borough of Barrow-in-Furness	Eden Local Strategic Partnership
Business Link	English Nature
Carlisle City Council	Environment Agency
Carlisle Partnership	Furness Partnership
CBI North West	Government Office for the North West
Churches Together in Cumbria	Invest in Cumbria
Connexions Cumbria	Job Centre Plus
Copeland Borough Council	Kendal College
Culture Cumbria	Lake District National Park Authority
Cumbria Association of Councils for Voluntary Service	Learning and Skills Council
Cumbria Association of Local Councils	National Farmers Union
Cumbria Chamber of Commerce and Industry	National Probation Service
Cumbria Community Foundation	Natural England
Cumbria Constabulary	North West Development Agency
Cumbria County Council	South Lakeland District Council
Cumbria Fire and Rescue Service	South Lakeland Strategic Partnership
Cumbria Local Enterprise Agency Network	Sport England North-West
Cumbria Primary Care NHS Trust	Sure Start
Cumbria Rural Enterprise Agency	The National Trust
Cumbria Rural Housing Trust	University Of Cumbria
Cumbria Sport	Voluntary Action Cumbria
Cumbria Strategic Partnership	West Cumbria Strategic Partnership
Cumbria Sub-Regional Housing Group	West Lakes Renaissance
Cumbria Tourism	Youth Offending Service
Cumbria Vision	

The Cumbria Economic Strategy is the overarching document which is expected to remain relevant and unchanged for around 10 years, but may have to be revisited dependant upon prevailing national and international imperatives. As we now move our focus from strategy into action, the annual focus will be on the Sub Regional Action Plan.

Cumbria's Vision –

"To be an energised and healthy environment, and one of the fastest growing economies in the UK. Building on the county's major assets, including its unique landscape and natural resources, skills base in nuclear energy and marine engineering and its attractiveness as a place to live, work and visit; the delivery of a range of innovative and sustainable projects will secure a better quality of life for current and future generations."

PART TWO: CUMBRIA TODAY

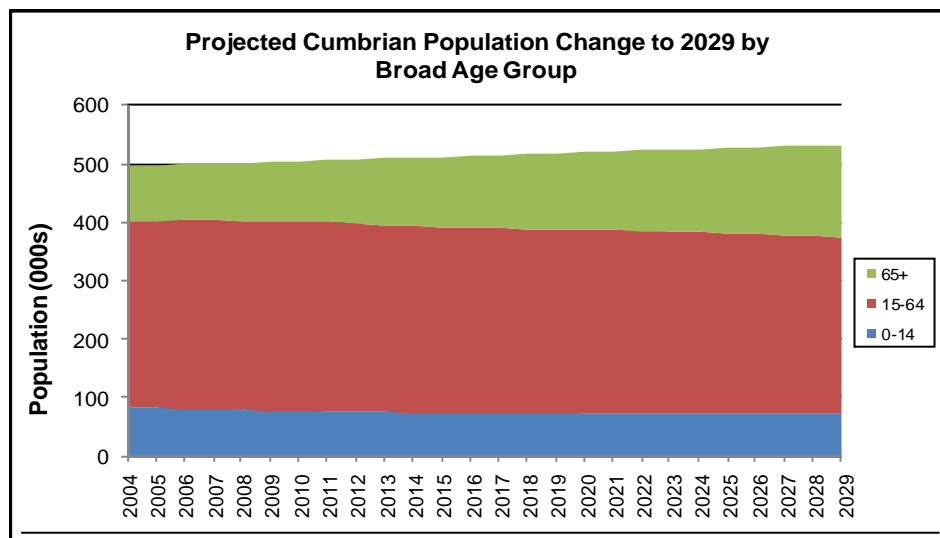
The current state of the Cumbrian economy is briefly described in the following pages via an analysis of key statistical information. This information provides a snapshot of Cumbria at the time of going to press. Further analysis can be found in the *Cumbria Economic Strategy – Technical Appendix* (updated annually and published at www.cumbriavision.co.uk).

Population

“Population growth is largely amongst older people in rural areas”

Although the population of Cumbria has increased by approximately 9,700 since 1992 and is forecast to continue to increase through to 2029, the age structure of the population has undergone a significant change during the past 15 years, with the numbers in the 64+ group increasing by around 30,000, whilst the number of 16-30 year olds has fallen by around 15,000. This trend represents older, more affluent people moving into the County for the quality of life, whilst younger people move away to seek lifestyle, education, employment and housing opportunities. This demographic trend also highlights a disparity between districts, with rural areas experiencing the highest growth amongst older people. These trends are projected to continue at least until 2029 due to continued migration and increasing longevity.

Cumbrian Population Change Projections 2004-2029



Source: ONS Sub-national population projections

Gross Value Added (GVA)

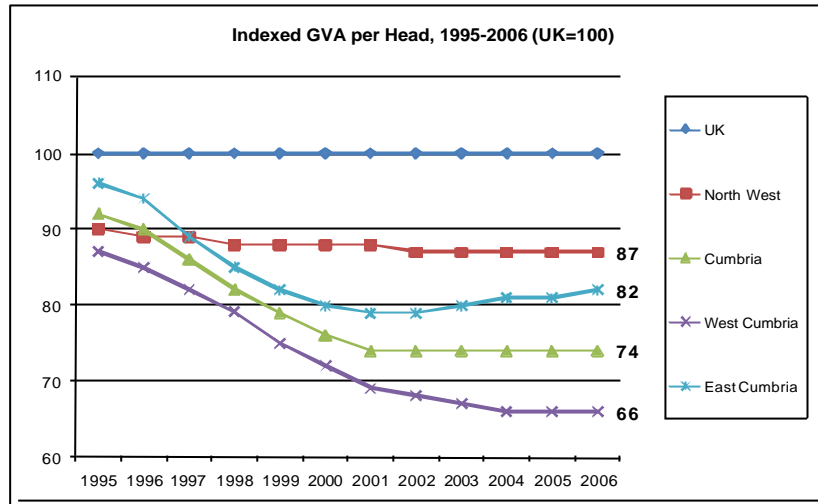
“Whilst poor, GVA performance is showing improvement. Time will show how we perform in relation to other sub-regional economies due to the current recession; early indications are that we are not adversely affected”

The numbers paint a mixed picture for the county depending on the timescale over which we assess change and the geographical area we focus on. The bullet points below identify the key points of relevance:

- Over the long term (1995-2006) Cumbria remains the slowest growing of the 37 county-type areas in the UK, with an overall growth rate of 41.2% compared to 66.0% in the Northwest region and 80.0% for the UK as a whole.
- Since 2005 Cumbria has grown at around the same rate as the region (5.0% vs 5.2% respectively). Cheshire is fastest growing part of NW at 6.5%
- GVA per head in the county now stands at £14,044 compared with £16,482 in the NW and £19,430 in the UK (74% of the UK average – the same index as we have seen every year since 2001)
- There is significant disparity between West and East Cumbria. Overall East Cumbria has grown by 51.8% since 1995 compared with 29.0% in West Cumbria, the slowest of any of the 133 sub-county areas in the UK.
- Over the latest year (2005-2006) East Cumbria's growth rate stands at 5.5% while West Cumbria's is 4.4%.

- GVA per head in East Cumbria now stands at £15,450 (82% of the UK average) while for West Cumbria it is £12,498 (66% of the UK average).

Indexed GVA per Head, 1995-2006



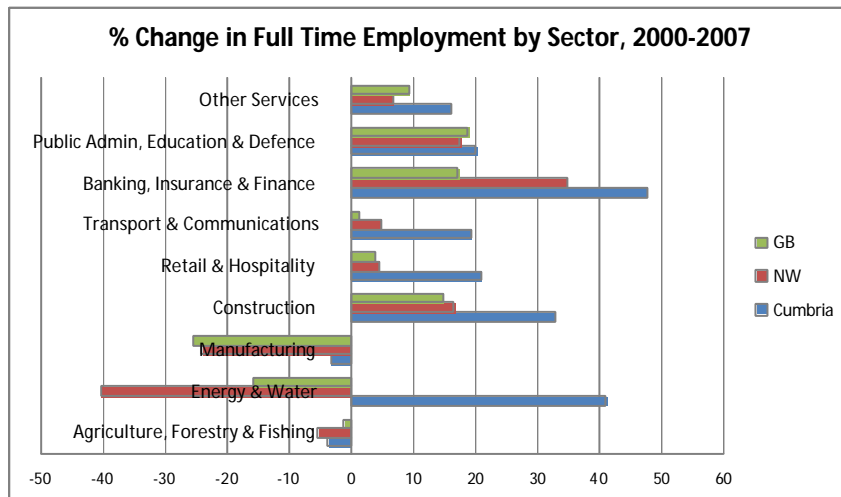
Source: ONS Regional Gross Value Added, 2006

Employment

“Cumbria’s economic structure contains concentrations of employment in some sectors, with under-representation in others”

The employment structure of Cumbria differs from that of the region and England, with reliance on agriculture, hospitality and manufacturing and low representation of finance, business services and education. This pattern is complicated by the over-reliance on one predominant industry sector in any given area, (e.g. manufacturing in Copeland at 42.2% due to employment at Sellafield being placed within this classification compared to a national average of 12.4%). Copeland and Barrow have a high proportion of the workforce employed by larger employers, and rural areas of Cumbria are much more reliant on smaller firms. The chart below shows how employment has changed during the period 2000-2007. In percentage terms, growth in Cumbria has been strong in most sectors, with growth sectors significantly outperforming at both a national and regional level. The construction (SIC F) and the banking, insurance and finance sectors (SIC J, K) have also grown strongly in Cumbria. Of equal importance, employment decline in the manufacturing sector (SIC D) has been markedly slower in Cumbria than nationally or regionally.

Percentage Change in Full Time Employment by Sector, 2000-2007



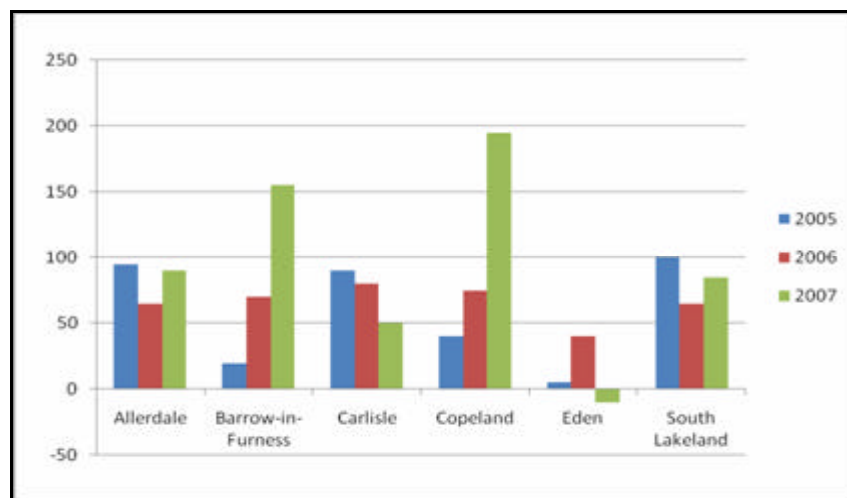
Source: ONS Annual Business Inquiry, 2007

Enterprise

“Whilst business growth has been lower than the region, VAT registered business stock is the highest per adult capita”

At the start of 2008 there were 19,665 VAT registered businesses in Cumbria which represents a growth of 7.2% on 2005. This compares favourably with the UK (7.1% growth since 2005) but not as well with the region (8.0%). However, the pattern of growth in registrations and de-registrations varies considerably on a sub-county level with Barrow (21.6%) and Copeland (18.1%) performing particularly well over the last few years albeit from a low business base. Eden, on the other hand, has seen very sluggish growth (1.0%), and has actually seen a net fall in VAT registered businesses over the last year. South Lakeland (4.8%) and Carlisle (6.3%) have both grown at a slower rate than the national average.

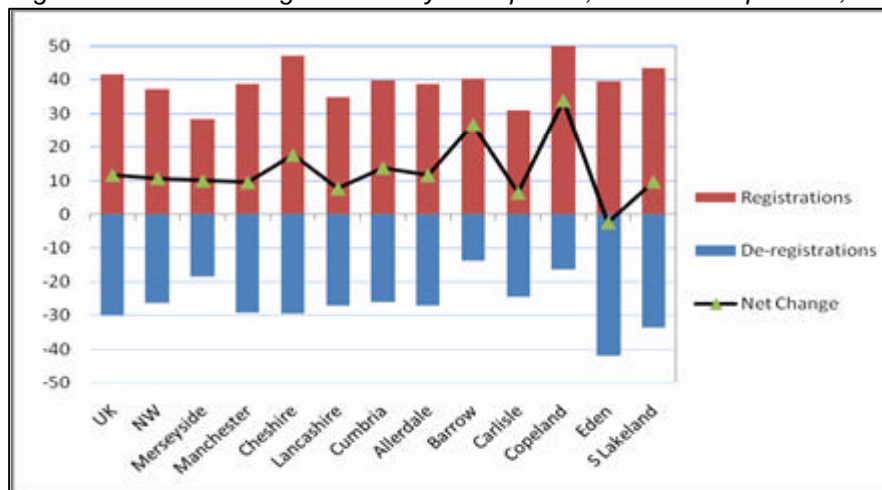
Net Change in VAT Registered Business Stock by District, 2005-2007



Source: Vat Registrations and Stocks, BERR

A much more useful way of examining the data and a means by which a more direct comparison between areas becomes possible, is to analyse the VAT registration and de-registration figures per 10,000 head of adult population. On this measure Cumbria has performed better than the regional and national average with a net increase of 13.78 new VAT registered businesses per 10,000 adults in 2007 compared with 11.71 and 10.73 respectively nationally and regionally. Barrow (26.63) and Copeland (33.74) have both performed considerably better than the regional or national average. Eden, on the other hand, has seen a net fall of -2.33 VAT registered businesses per 10,000 adults in 2007. Carlisle (6.43) and South Lakeland (9.71) have also performed poorly.

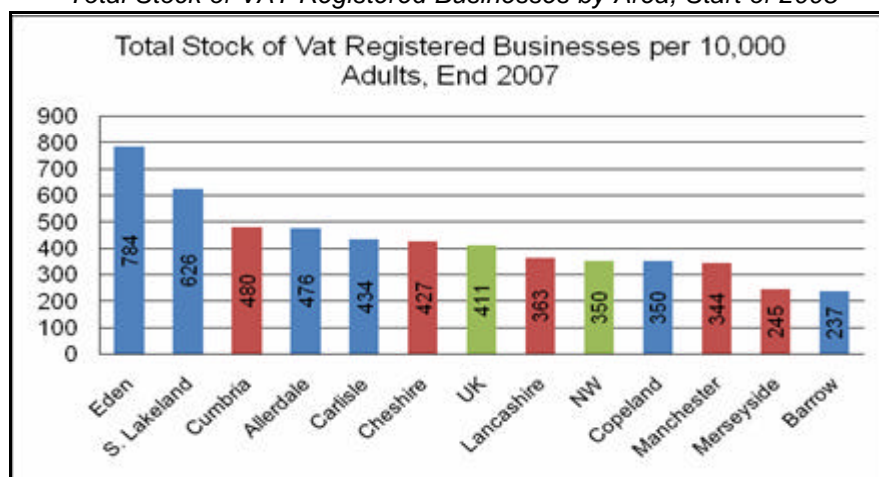
Registrations and De-registrations by Area per 10,000 Adult Population, 2007



Source: Vat Registrations and Stocks, BERR

However, these two charts don't yet tell the full story as, when comparing areas based on *total business stock* per 10,000 adult population a completely different picture emerges. Eden now tops the charts with 784 businesses followed by South Lakeland with 626 businesses. Barrow and Copeland fair poorly with only 237 and 350 businesses per 10,000 adults respectively which is equal to or below the NW (350) and national (411) average. For Cumbria as a whole the rate of business stock per 10,000 adults is the highest in the North West at 480.

Total Stock of VAT Registered Businesses by Area, Start of 2008



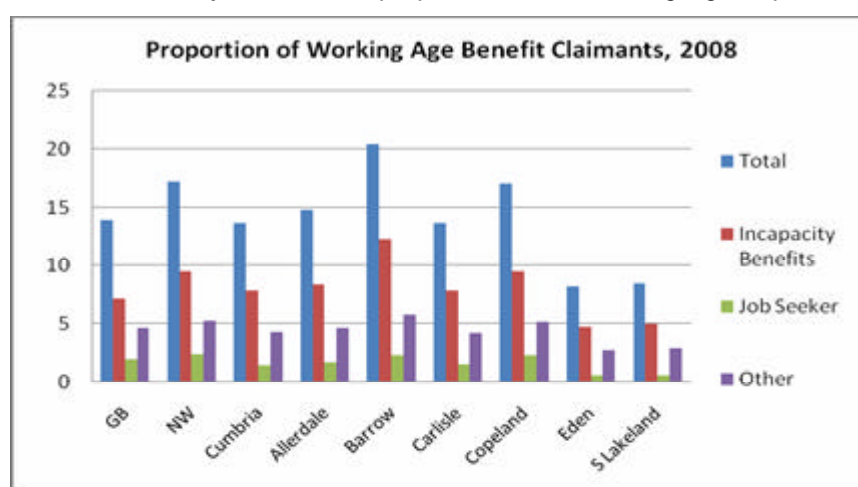
Source: Vat Registrations and Stocks, BERR

Economic Inactivity – Unemployment and Worklessness

“Pockets of high inactivity still need to be addressed in Barrow and on the West Coast, but the problem in the South and East remains over-employment and reliance on part-time and seasonal work”

There are significant differences between the western and eastern parts of the County, with Barrow in particular having consistently higher rates of benefit claimants, economically inactive individuals and long-term incapacity/disability benefit claimants than other areas. This is reinforced by the far greater proportion of economic inactivity in the ‘elementary’ trades, and anecdotally, there is an identifiable ‘culture of unemployment’ in these areas. On the other hand, Eden and South Lakeland both have low levels of unemployment, however high numbers of part-time and seasonal jobs may mask some of the problems experienced in these parts of Cumbria.

Benefits Claimants by District as a proportion of the Working Age Population, 2008



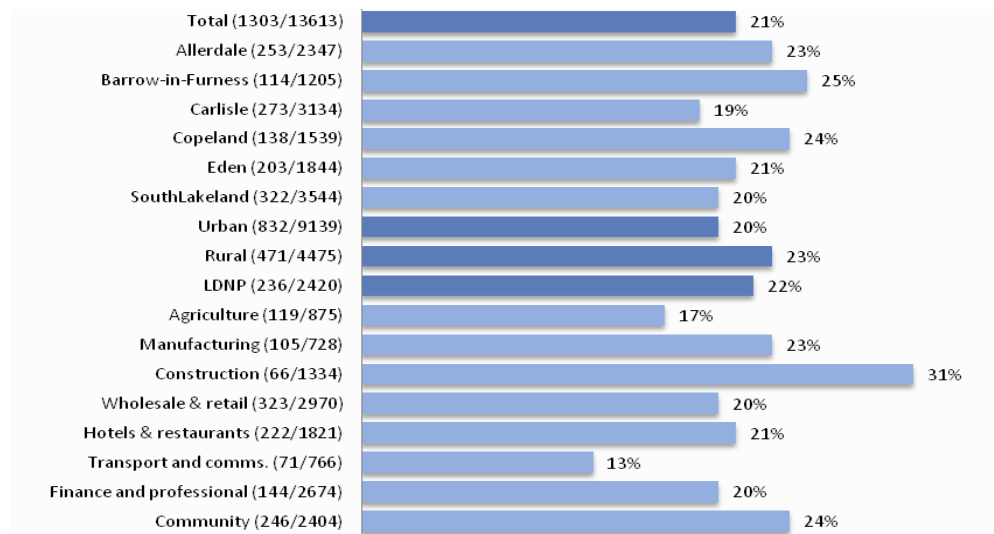
Source: Office for National Statistics Claimant Count, 2008

Skills

“Educational attainment to 16 is good, but there are weaknesses in higher skills and qualifications

Despite the presence of a high number of graduate-level jobs within the nuclear industry, the County as a whole has a lower proportion of level 3 and 4 qualifications amongst the working age population, alongside a much higher proportion of basic (Level 1) qualifications than elsewhere in the country. The right skills mix is important to any area and whilst it is true that a basic skills base is essential for the health of certain economic sectors (for example food manufacturing), in order to support and attract higher added-value industries with a sustainable future, the skills base of the Cumbrian workforce will require expansion in future years. The chart below shows the proportion of businesses within Cumbria with 3 or more staff reporting a skills gap within their current workforce.

Proportion of Businesses with 3+ Staff that report a Skills Gap.



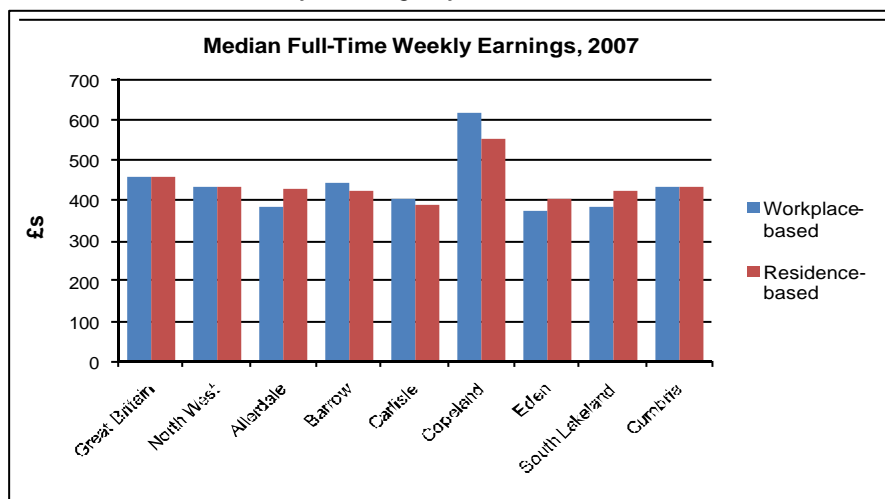
Source: CEIP, Cumbria Business Survey, 2007

Earnings

“Employment and earnings vary across the County

Cumbria fares quite well in terms of average earnings with median full-time weekly earnings based on place of work (£433) just below the NW (£434) average. The County-wide average is, however, skewed by the presence of some particularly well-paid sectors, most notably the nuclear industries, and also by the high-degree of out-commuting by higher paid workers who live in Cumbria and work elsewhere – as indicated by higher earnings by place of residence than by place of work in Eden and South Lakeland.

Median Full Time Weekly Earnings by Place of Work and Residence, 2007



Source: ONS, Annual Survey of Hours and Earnings, 2008

Physical Infrastructure

“Physical infrastructure is not adequate to match the needs of the new economy”

“Housing suffers from under-supply and problems of affordability, with not enough new housing being provided”

Cumbria faces a severe shortage of appropriate, affordable housing which fails to meet the needs of the population and stifles economic growth. In many parts of the County, housing costs far exceed the incomes of local people; whilst in localised areas such as West Cumbria, the market faces structural problems, with outdated housing stock and a shortage of decent, attractive modern family homes. The Regional Spatial Strategy suggests 1,800 new dwellings per year 2007-2016 however current output is less than 1,500. Considering that predicted population growth could require an additional 2,150 dwellings per year, the problem looks set to worsen over time.

“Transport is not necessarily adequate to support the needs of business”

It is clear that whilst north-south communications are readily facilitated by the West Coast mainline and the M6 Motorway, east-west communications are more limited, with congestion on the east-west trunk routes (A66, A69 and A590), a lack of rail infrastructure and accessibility problems into the central Lake District. This lack of infrastructure provides a check on the growth potential of West Cumbria and Furness. Levels of traffic through Cumbria's three remaining operational ports (Barrow, Workington and Silloth) has experienced a steady decline over the last 10 years to a combined total of 554 thousand tonnes of foreign and domestic traffic in 2007 compared with 973 thousand tonnes in 1997 a decline of 43%. Carlisle Airport offers great potential as an economic driver and is currently being redeveloped to a status capable of accommodating commercial flights.

“The rural economy faces an uncertain future”

Direct employment in Cumbrian agriculture and supply-chain industries accounts for around 3.1% of employment and generated £150 million in Gross Value Added in 2006, down from £235 million in 1996. However these figures only relate to direct production with rural tourism and businesses generating far in excess of this figure. Nevertheless, the Rural Economy faces challenges from land management reform and increasing focus on the sustainability of rural communities.

Therefore we have identified 10 key Challenges which need to be addressed:

Cumbria Today – The Challenges

1. Slowest growing economy in England 1995-2005, but now showing early signs of recovery.
2. Average household earnings significantly below UK
3. Dependency on declining sectors and under-representation in growth sectors
4. Low levels of higher skills
5. Historically, around 2,000 (net) 19-34 year olds leaving the County each year
6. Problems of appropriate, affordable housing: house building in most areas is inappropriate and does not meet demand
7. Pockets of extreme worklessness in urban areas and underemployment in rural areas
8. Real infrastructure/connectivity problems, worse perception outside the County.
9. Rurality – Poor access to services, education, housing and job opportunities
10. Delivery improvements and capacity to address strategic aims

Current state of the Cumbrian Economy (Sources: ONS, BERR, CACI, Dec 2008)

The statistics here provide a baseline for understanding the nature of the economy within Cumbria and enable comparison with both the North West and the UK. At the time of producing this document there are huge economic pressures and an official recession, however Cumbria is currently less impacted than other sub regions due to the nature of its economic base.

Area	Population	Land Area (hectares)	Population Density (per hectare)	% Population growth 1991-2006 (approx)	Working Age Population (%)	GVA per Head, 2006 (£)	GVA per Head (as % of UK average)	% Gross Value Added ("GVA") growth (05-06)	Number of FTEs (000s)	Principal Industrial Sector - by % Total Employment	VAT Registered Business Stock per 10,000 Adults, 2007	Job Seekers Allowance Claimant rate (%)	% Incapacity Benefit Rate (Working Age)	Skills: Proportion of Working Age with NVQ2+	Skills: Proportion of Working Age with NVQ4+	Median Annual Income, 2007 (£) Resident Analysis	Median House Prices, 2007 (£)	Housing Affordability (Price/Income)
UK	60,975,400	24,482,000	2.49	5.89	62.2	19,430	100	5.6	21,647	Public Admin, Education & Health – 24.8%	411	2.0	7.2	64.5	28.6	28,391	175,783	6.2
North West	6,864,300	1,416,500	4.85	0.34	61.8	16,482	87	5.2	2,477	Public Admin, Education & Health – 26.3%	350	2.4	9.5	64.0	25.4	26,580	136,562	5.1
Cumbria	496,900	682,353	0.73	1.99	59.7	14,044	74	5.0	170.2	Retail and Hospitality – 25.6%	480	1.5	7.9	67.8	25.4	25,758	164,000	6.4
Allerdale	94,500	125,780	0.75	-1.66	59.4	12,498	66	4.4	27.7	Retail and Hospitality – 26.0%	476	1.7	8.4	65.6	18.4	25,142	141,000	5.6
Barrow	71,800	7,796	9.21	-2.31	60.3	12,498	66	4.4	21.7	Manufacturing – 27.2%	237	2.3	12.3	61.8	21.6	24,014	87,000	3.6
Carlisle	103,500	104,010	1.00	1.47	61.3	15,450	82	5.5	43.3	Public Admin, Education & Health – 25.3%	350	1.6	7.9	73.7	24.0	25,744	150,000	5.8
Copeland	70,400	73,761	0.95	-1.26	61.4	12,498	66	4.4	25.3	Manufacturing – 42.2%	434	2.3	9.5	64.1	25.1	25,965	110,000	4.2
Eden	51,900	215,645	0.24	12.58	59.2	15,450	82	5.5	18.9	Retail and Hospitality – 30.1%	784	0.6	4.8	64.2	26.2	27,045	208,000	7.7
S Lakes	104,900	155,361	0.68	6.93	57.2	15,450	82	5.5	36.0	Retail and Hospitality – 33.7%	626	0.6	5.0	72.6	36.0	26,801	245,000	9.1

PART THREE: THE STRATEGY

Introduction

In economic terms, Cumbria was the slowest growing sub-region in the UK from the mid-1990s to 2002. Whilst growth rates have exceeded regional levels since then, the County is still behind the region, which is itself behind the UK in terms of GVA per head. This performance stems from many factors, including the decline of traditional heavy industries, the changing structure of agriculture and the rural economy and the remoteness of certain parts of the County. There are, nonetheless, strong opportunities for development in the County, arising from the quality environment and the strength of some sectors prioritised in the Regional Economic Strategy ("RES").

Following the publication of the Cumbria Economic Plan in 2007, it was clear that we needed to further develop and evidence possible outcomes through identifying priority actions to deliver the strategy.

To help Cumbria Vision complete the task, 2008 was spent reviewing material, researching facts and reports, and consulting with many organisations, in order to create Strategic Action Plans. These Action Plans followed the 6 identified priority business sectors: (i) Energy & Environmental Technology and Services, (ii) Specialist Manufacturing, (iii) Tourism, (iv) Outdoor, (v) Food & Drink, (vi) Digital, Creative & Culture.

In order to reflect the strong interdependency of business sectors along with their societal and environmental impact, Cumbria Vision additionally viewed the effects of economic growth requirements through 5 Strategic Action Plan cross cutting themes, (i) Rural, (ii) Business Support & Enterprise, (iii) Connectivity, (iv) Housing & Employment Land, (v) Education & Skills.

These Strategic Action Plans were subsequently amended to reflect majority views of consultation respondents, and can be viewed in pdf format on our web site: www.cumbriavision.co.uk

Following extensive consultation in 2008, we have managed to consolidate the views and strengths echoed by the vast majority of key stakeholders across the county.

Our **Strategic Priorities** which give the best opportunities of job and wealth creation are:

1. **The Opportunities of Energy and the Low Carbon Economy**
2. **Raising the Attractiveness of Destination Cumbria as a place to live, invest, work and visit**

These key wealth creation drivers will be supported by the **Main Support Facilitators** in the Economic Strategy:

- a. **A once-in-a-generation opportunity to transform Cumbria's Education, Skills and Research and achieve a step change in aspirations**
- b. **Better focused support for Business, Enterprise and Employment**
- c. **Development of Key Infrastructure as a platform for business growth**
- d. **Innovative stewardship of Cumbria's land and landscape to build a thriving Rural Economy and improve access to services**

The following section gives a simple overview of the priorities and facilitators in the strategy and indicates that the time has come to move to implement identified priority actions. Following this, we aim to demonstrate how these actions address the specific challenges and aspirations of the 4 area delivery boards. It should also be noted that there will be other partners yet to be defined regionally, nationally and internationally, who will help us achieve our strategic roles. It is the role of Cumbria Vision to reach out, influence and persuade these future organisations to work in partnership with us.

There is a recognition that sometimes transformation doesn't require large single projects, but could be a series of related smaller projects, which create the right environment to address market failure and stimulate the private sector to prosper. This is especially relevant in a Cumbria context, where transformation doesn't necessarily translate to 'big'. However, **the focus for the County must shift from the historical method of small-scale, fragmented interventions that arise as responses to local problems; instead, strategic, transformational projects are required, to make a sustained impact on the economic well-being of the County.** Strategic decisions must be taken to identify those projects which require public sector funding.

Strategic Priorities

1. The Opportunities of Energy and the Low Carbon Economy

Background

There have been big developments in government policy on climate change, civil nuclear and renewables which create significant new opportunities for Cumbria. Our top priority must be the realisation of the Energy Coast vision and for Cumbria to become the exemplar of the "Low Carbon County".

Energy security and Climate Change are today's most pressing long term concerns. The need to 'keep the lights on' whilst ensuring that we de-carbon our economy are key challenges which have been highlighted in many recent Government initiatives. Amongst these, *The Stern Review on the Economics of Climate Change*, October 2006, was the first which conclusively evidenced the effects to our economy as we adapt to both reduce our emissions which damage the environment and reduce our dependency on gas, oil & coal. Act now and we lose 1% GDP; don't act now and it could cost 20% - change is inevitable.

The EU action on climate change is progressing what is called the 20-20-20 strategy. This calls for a 20% reduction of carbon emissions by the year 2020 (from 1990 baseline) and 20% energy generation from renewables by the same year. The Energy White Paper 2007 explains the UK Government priorities to be:

1. save energy
2. develop cleaner energy supplies; and
3. secure reliable energy supplies at prices set in competitive markets

Cumbria stands to gain enormously from these National and European priorities. This Strategy seeks to actively promote the economic opportunities that exist to grow the economy based on our historic and natural strengths in skills, capability and landscape. Britain's Energy Coast™ is the catalyst to many energy related projects which extend down the coast to Barrow. The promised renaissance in the nuclear industry is core to our strategy. However the Strategy also aims to diversify the local economy through developing business in the knowledge economy and in particular, the Environmental Technology Services sector which incorporates renewable energy technology.

The Nuclear renaissance is at the heart of the Britain's Energy Coast Masterplan. We plan to retain this lead and build upon it both in attracting significant overseas inward investment to build new reactors for power generation, and addressing the needs of successful decommissioning and nuclear waste management. The Strategy aims to establish a cluster of overseas business expertise in these fields on the West Coast and make the area a national and international centre of nuclear related R&D, assisted by the establishment of the National Nuclear Laboratory in West Cumbria, in collaboration with academia, and associated health sciences.

Energy from renewable sources offers particular opportunities for economic development, which in turn will assist local, regional, and national targets for deployment and carbon reduction. Of particular Cumbria interest is to use the abundant resources we have from our coastline for tidal projects, woodland for biomass, off shore wind, plenty of rain for on shore hydro and energy from waste material from our hospitality and food & drink sectors to create biogas.

Key Actions:

Nuclear:

- Work in partnership and build relationships with Credible Nuclear Power Operators (CNPOs), National Grid and planning authorities to ensure future development of at least 2 new reactors at sites adjacent to Sellafield.
- Develop a full programme of nuclear skills education incorporating the Energus Academy, University of Cumbria, Dalton Cumbria Facility, Westlakes Research Institute (UCLAN)
- Ensure the development of The National Nuclear Laboratory which is internationally recognised as centre of excellence in R&D, and that their work capitalizes on nuclear related inward investment and skills requirements
- Ensure the Cumbrian supply chains maximize the business potential in the nuclear industry development, and that they are well placed to secure subsequent contracts

- Support the development of facilities in Barrow to take part in the new reactor building programme for the UK fleet
- Support and lobby to influence the development of a new MOX fabrication programme.

Renewables:

- Build the case for a single Cumbrian agency which can ensure we promote and support development of renewable energy projects including 'energy from waste', especially from food & drink production, agriculture & forestry and other industries
- Continue to develop the case for tidal energy through projects such as the Bridge across Morecambe Bay and Solway Energy Gateway
- Support wind projects, giving more priority to large off-shore sites, where they can contribute to sub regional and national targets, and where we can link local supply chains or seek inward investment to establish manufacturing & maintenance
- Work with planning authorities and suppliers to ensure deployment of microgeneration and heat-source pumps where appropriate with solar, small wind and hydro projects, particularly through community owned social enterprises.

Energy Efficiency:

- Influence planning authorities to ensure local delivery frameworks encourage all domestic and business new build developments to have at least Merton Rule standards
- Support insulation and energy efficiency retro-fit services and particularly target large public buildings and domestic off gas-grid property.
- Single point of access for domestic and business sectors to promote advice and guidance for efficiency and renewable energy projects.

The most critical issues to address also include planning consents and connections to the electricity network through National Grid and Electricity Northwest.

2. Raising the attractiveness of “Destination Cumbria” as a place to live, invest, work and visit

Background

There is an unrivalled opportunity to improve the attractiveness of Cumbria as a destination for businesses, residents and tourists. The Strategy recognises the opportunities to improve Cumbria as a place for people to start, grow or to relocate their businesses. “Destination Cumbria” is not just about tourism although it is recognised that tourism should continue to be an important wealth creating sector. The Visitor Economy in 2007 contributed £1.1 billion to the Cumbrian economy, supporting over 36,000 employees; it is forecast to grow to £1.5 billion by 2018.

For inward investors, Cumbria can offer a range of employment sites, housing to meet the needs of all staff, access to life long learning opportunities to empower staff with the skills required in a modern business. For relocating companies, Cumbria offers ease of access to the national transport infrastructure, high speed internet connections and unique opportunities to enhance the quality of life of its employees by working within such spectacular landscape. In particular, Cumbria needs to attract and retain 20 – 35 year olds especially graduates and this can be done by through providing attractive well paid jobs in the key growth sectors.

Developments which improve high value added tourism, such as high quality developments in sport, adventure, culture and eating out, can also play a key role in encouraging business to locate to Cumbria and attract outside business investment. Cumbria has a wealth of activity based opportunities for all; this is allied to a strong cultural offer which can offer something to all sections of society. Nevertheless, there are problems to address: the quality of accommodation overall must be improved; issues of congestion, parking and sustainable transport need to be addressed; the visitor offer in areas outside of the core of the Lake District needs to be transformed.

Key Actions:

- Develop a major, 3 year, national and international marketing programme through Invest in Cumbria to attract new high growth businesses which will diversify and modernise Cumbria's economy.

- Attract and retain 20 – 35 year olds through the continued expansion of Higher Education opportunities and level 4+ industry skills, particularly through development of the University of Cumbria, the National Skills Academies, the Energus Academy and the west coast research institutes. We also need to review appropriate housing and leisure activities.
- Enhance skills across all sectors of the workforce including the development of a Cumbria-wide programme to attract and retain highly-skilled people and develop higher level leadership and management capacity.
- The release of attractive new sites for commercial development in South Lakes could usefully ease the pressure on commercial land in an area that needs to attract employers offering better paid jobs. A coherent plan for the main M6 Junction sites needs to be developed.
- Development of new tourist attractions that have the potential to extend the reach of tourism across the County. Capital developments that come into this category are Roman Maryport; the development of Carlisle's historic quarter; Lowther Castle and Gardens and a number of key developments around the eastern shore of Lake Windermere.
- The development of Cumbria as the 'Adventure Capital' of the UK. We will support projects that can be delivered which make a big impact and also relate to planned education and training developments in the County.
- Support Culture Cumbria in developing a cultural programme for Cumbria that is high impact, helps to change outside perspectives of the County and attracts high value added visitors. Our role is to focus on cultural programmes with long run economic 'spin-offs' and support increased investments through targeted marketing by Cumbria Tourism, and fully exploit the potential represented by the 2012 Olympics.
- On the West Coast substantial public investment has already gone into the creation of successful Marinas. More such investment is at present planned at Barrow, Maryport and Workington. In the present economic environment the viability of these schemes needs to be reviewed but Cumbria will take a 10 year view, not a 2 year one.
- The delivery of a number of 'Sports Village' developments, consisting of a sustainable mix of leisure, health, retail and other facilities at strategic locations around Cumbria. Sports Villages will act as focal points for promoting the high quality of life for those living in, and visiting, the county.

Main Support Facilitators

a. A once-in-a-generation opportunity to transform Cumbria's Education, Skills and Research and achieve a step change in aspirations

Background

School age attainment across Cumbria exceeds national averages by a small margin, but there are huge disparities between individual schools and areas. The best performing school delivers 100% of pupils with 5 or more A*-C grades at GCSE, whilst in the worst performing schools the level is as low as 15%. Poor performance is concentrated in economically deprived areas of the county, primarily Barrow, Workington, Whitehaven, and Carlisle. Amongst the working age population, compared with the nation as a whole, attainment up to NVQ levels 1, 2 and 3 is above average in all districts except Copeland, and all districts have lower proportions of people with no qualifications. Where Cumbria as a whole fails to meet the national standard however is in level 4 and above qualifications – in part because so many able young people leave Cumbria to go to university, never to return.

The out-turn of young people with little or no qualifications and the lower overall skill levels in deprived areas contribute significantly to poor economic performance, high levels of worklessness and, combined with lower levels of higher skills, create a poor image of Cumbria as a place to invest. It is very difficult to quantitatively assess this impact, as very little reliable data is available at either regional or local level; however 21% of

businesses report key skills gaps and 15% report hard-to-fill vacancies. This is especially acute in key science and engineering sectors.

In practical terms there are also a number of specific problems that need to be addressed to raise general and higher level skills. These include:

- Redevelopment of the infrastructure of the poorest performing schools and transformation of the aspirations, especially in the areas of highest deprivation.
- Addressing the gaps in FE provision in rural areas, particularly Eden and ensuring it is aligned with local employer needs.
- Addressing the past absence of relevant HE provision, particularly in Barrow and the West Coast.
- Refreshing the curriculum offer at all levels to offer skills that are relevant to key economic sectors – particularly science and engineering.
- Addressing the relatively poor take up of work-based learning programmes.

b. Better focused support for Business, Enterprise and Employment

Background

The economic performance of Cumbria is comparatively weak when compared to England and the North West, but recent years have seen some overall relative improvement. GVA per head, at £14,044 in 2006, is still well below the UK and regional averages (£19,430 and £16,482 respectively) and is the second lowest of the five North West sub regions. New business starts at 40 per 10,000, is the second highest of the five sub-regions. However within Cumbria the rate of new business start up varies significantly between districts from 30 per 10,000 in Carlisle to 50 per 10,000 in Copeland.

Employment growth in Cumbria since 1996 has been at a rate slightly above the regional average. There are some significant differences in the sector profile of employment when compared to England. In particular there are a higher proportion of people employed in manufacturing (21.4% compared to the UK at 12.4%); there is a high proportion of people employed in hotels and restaurants (9.0% compared to the UK at 5.7%) and a low proportion of people employed in real estate and business activities (9.8% compared to the UK at 15%).

The occupational structure is also quite different to the national average. There is a lower proportion of higher skilled jobs in Cumbria than nationally, and this is especially true for the Professional and Associate Professional categories with the share of employment accounted for by these occupational categories 2% points and 3% points below the national average respectively. Baseline forecasts indicate employment growth in Cumbria of 2% up to 2014, which translates into 5,000 new jobs. This growth rate is the lowest of the North West sub-regions and well below the North West projection of 3% growth.

The employment rate in Cumbria is actually above national and regional averages (76.3% versus 74.4% and 72.3% respectively). Cumbria's problems are less about getting people into employment and more around the type of jobs available in the sub-region. To close the GVA gap with other sub regions, Cumbria needs to attract a greater number of high skilled jobs.

Significant supply-side constraints that Cumbria faces are, firstly the low proportion of its population with higher level qualifications which makes it a less attractive location for higher value added businesses and secondly its ageing population, (whilst acknowledging that an older population also creates opportunities in voluntary and service based sectors). Of the five sub-regions, Cumbria currently has the highest proportion of over 65 year olds in its population (20%) and this is forecast to increase to 25.4% by 2020 – well above the regional average forecast of 19.6%. But this of course represents an opportunity as well as cost in terms of developing services that meet the needs of an elderly population.

c. Development of Key Infrastructure as a platform for business growth

Background

Cumbria is geographically isolated and distant from regional, national and European markets. This isolation is further accentuated in the west of the County and is a contributing factor to the difficulties in attracting investment

into the sub region. The topography of Cumbria, National Park status and various other landscape designations have constrained road and railway building and denied parts of the sub-region the developmental benefits of a modern transport network. For the sub region to become economically competitive this perception of remoteness and isolation needs to be dispelled.

Road and rail communications between the M6 and West Coast Main Line rail routes passing through the east of the County and the west coast communities of Furness and West Cumbria remain inadequate. Improved external links eastwards and westwards are also required to link with the Government's Northern Way growth zone, east coast ports, Northern Ireland and Republic of Ireland.

There is evidence that development in the west of the county is being impeded due to the lack of effective air links to London and Europe. Improved access is also required to the County's seaports to exploit the facilities they offer for alternative freight transport, particularly unitised cargos and to attract cruise liners.

Travel is dominated by car usage as frequent bus services are generally not commercially viable outside the larger urban areas and public funding sources are constrained.

'Routes to a Prosperous Cumbria' sets out a vision of an improved transport infrastructure for Cumbria focused on economic growth and quality of place. It is not itself a plan of improvements but it has been drawn up by Cumbria County Council in partnership with the Cumbria Strategic Partnership to demonstrate the level of improvement needed to bring the transport infrastructure of Cumbria up to a modern standard. Partners will work towards providing improved infrastructure through the Local Transport Plan, Highways Agency, Regional Funding and other funding allocations and opportunities.

d. Innovative stewardship of Cumbria's land and landscape to build a thriving Rural Economy and improve access to services

Background

Farming and forestry together contribute around 3% towards employment and about the same for gross value added (GVA). There are huge tracts of beautiful, sparsely populated countryside, approximately 3,000 working farms (though many thousand more if we include small holdings), and several thousand hectares of woodland, albeit with only 40% properly managed. We also have the second largest dairy herd in the UK producing over 900 million litres of milk annually. Whilst it is difficult to fully evaluate the diverse nature of other industry which exists in rural areas, innovation and manufacturing has always existed and contributed to our heritage and cultural landscape.

However, if we use the term 'agribusiness', it gives a better understanding of the huge level of importance this sector has for Cumbria. Issues of land use are inextricably linked to several other priority business sectors as highlighted in the Economic Strategy including:

- Outdoor
- Tourism
- Food & Drink
- Energy & Environmental Technology
- Specialist Manufacturing
- Digital, Cultural & Creative.

The term 'agribusiness' takes in the whole supply chain involved in growing, rearing, processing and retailing of produce and, of course, is the major underpinning plank of our rural economy and communities. Our tourism trade, including all aspects of associated retailing, would not attract 15 million visitors per year without the effective provision of 'eco-systems' services by the agribusiness sector.

The development of a Green Infrastructure Strategy will enable funding to be targeted to support these 'Eco-system Services' particularly in Upland areas of the County which contribute not only to the visitor experience but service broader economic outcomes such as flood mitigation and carbon sequestration. It is particularly important that Rural Development Programme for England (RDPE) funds are fully aligned to avoid duplication of effort.

PART FOUR: DELIVERING THE STRATEGY

a. Major Projects

The Strategy as described above will be delivered through major projects, and clusters of projects in programmes of related activity. Below are some examples of major projects, more detail of which can be found in the Sub Regional Action Plan. These projects are a mix of proposals, projects currently in development and projects now underway, with funding and delivery from a variety of sources. It should be noted that this list is by no means exhaustive; rather, it is intended to illustrate the variety of activity currently underway in the County.

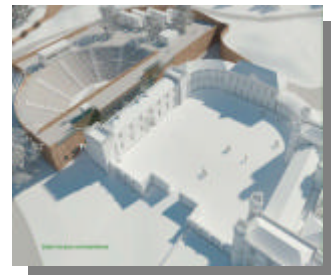
Carlisle Renaissance



Carlisle Airport



Lowther Castle & Gardens



Derwent Forest



Rural Action



Britain's Energy Coast™



Key Service Centres



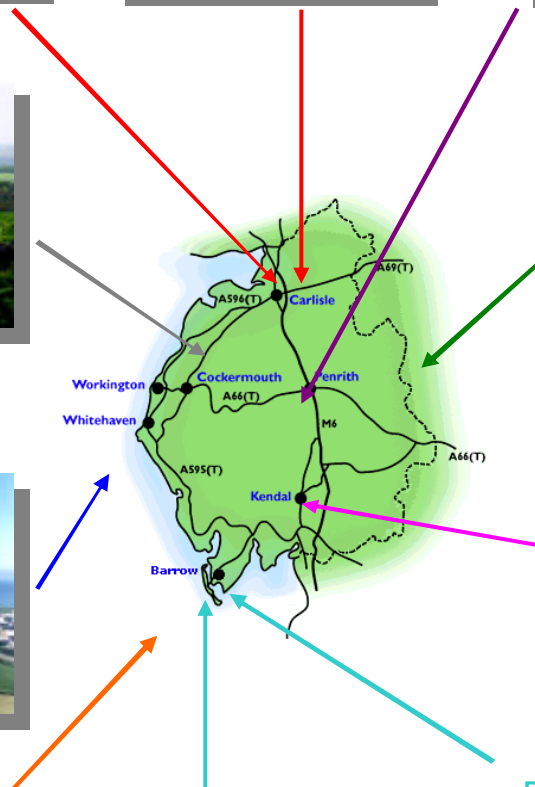
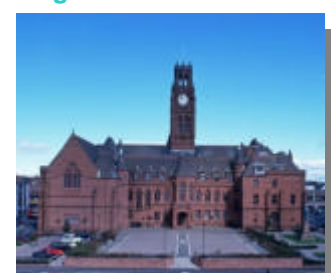
University of Cumbria



The Waterfront Barrow-in-Furness



Barrow-in-Furness Regeneration Action Plan



b. Funding Programmes

The implementation of this Strategy not only needs to influence public sector expenditure, but it must also ensure substantial private sector expenditure is attracted into Cumbria. Private investment is essential to ensure sustained economic growth, boosting productive capacity, driving job creation, and encouraging innovation. As the slowest growing sub region in the UK since the mid 1990s, the amount of inward investment in Cumbria has been relatively low and whilst Cumbria will have difficulty in turning this around, opportunities have been identified and must be realised. A significant amount of private sector funding is scheduled to be spent in Cumbria over the next few years in schemes such as the Barrow Waterfront, K Village Retail Outlet in Kendal, the New Squares Shopping Centre in Penrith and potentially at Derwent Forest, and Port Derwent in Workington.

The Cumbria Economic Strategy must seek to reduce the dependency on public sector funding to create economic regeneration and increase private sector investment in the overall proportion of total expenditure.

The Sub-Regional Action Plan aims to identify known sources of funding for economic development activity in Cumbria. Activity is included which is seeking NWDA funds and European funds, as is other public sector funded activity by organisations such as the LSC and Job Centre Plus and the NHS. Private sector investment is included (where known) and the aim of the plan is that activity will eventually be self-sustaining with the support of this sector.

NWDA – Joint Investment Plan (JIP)

The North West Regional Development Agency has agreed to follow a Joint Investment Plan approach. The JIP identifies specific activity that NWDA are funding against an “indicative” Agency resource into Cumbria of c. £150M (over 3 years) and includes Regional wide projects, delivery area specific projects (including any West Lakes Renaissance ring fenced allocation) and any Cumbria-wide projects. Current funding and prioritisation needs to remain flexible so that we can react quickly to market conditions over the next 2 years.

European Regional Development Fund (ERDF)

Cumbria Vision hosts the ERDF Technical Group which considers Expressions of Interest and Concept Proposals. This enables synergy between different funding streams. The Investment Framework is split into 4 key areas and 11 priority funding streams. The 4 key areas are:

- Stimulating Enterprise and Supporting Growth in Target Sectors and Markets
- Exploiting Innovation and Knowledge
- Creating the Condition for Sustainable Growth
- Growing and Accessing Employment

European Social Fund (ESF)

The Employment Programme is nationally driven with regional allocations and some regional flexibility. £219m has been allocated to the North West. The Programme is delivered almost entirely through co-financing, Job Centre Plus and the Learning and Skills Council. There are two priority axes:

- Extending Employment - Job search, skills for life, brokerage, advice and guidance
- Developing a skilled and adaptable workforce - Level 2 training, level 3 in sectors with identified shortages, in-work training and mentoring.

Rural Development Programme for England (RDPE)

There are three axes to these funds:

- Axis 1** – Improving the competitiveness of the agricultural and forestry sector
- Axis 2** – Land management
- Axis 3** – Diversification of the rural economy and quality of life in rural areas

Cumbria is to receive 45% of the North West share, an estimated £2.1m per annum, which is being targeted to meet our strategic needs.

Axes 1 and 3 will be delivered through Regional Development Agencies. Axis 2 (80% of funds) will be delivered through Natural England and the Forestry Commission. In Cumbria, the whole programme will be delivered through the LEADER method. This involves setting up Local Action Groups drawn from all sectors and representatives of that rural area who will oversee delivery of the programme. There are two Local Action Group areas in Cumbria, the Northern area of Solway, Border and Eden and the Southern area of Fells and Dales.

c. Delivery & Role

This strategy will only be delivered by a partnership approach to implementation involving the public, private and voluntary sectors, indeed the very first such partnership to be found in England was established in Cumbria in 1986. The level of participation by and engagement with the private sector is an ongoing difficulty, but this engagement is critical to any successful economic strategy for Cumbria.

As already highlighted earlier in this document, the key element to the success of this strategy will be to develop the delivery capacity of organisations within Cumbria. **A fundamental first step in delivering the Economic Strategy will be the implementation of the 4 sub-regional Vision Boards.**

Strategy

Cumbria Vision is an independent, public-private partnership helping to drive Cumbria's economic development, by developing the economic strategy for the County and securing the widest possible consensus around it, engaging public agencies and the private sector in its development, ensuring effective mechanisms are in place for its delivery that fully involve Cumbria's diverse communities, and providing a vehicle by which Cumbria can present a united, external face to the world on issues central to its economic future. We will;

1. Agree the Strategy for Cumbria in partnership, but taking clear lead
2. Decide Priorities and proactively partner nationally where we have aligned priorities for mutual benefit
3. Establish funding, influence and persuade public and private sector investment, within and outside Cumbria
4. Monitor Performance and Delivery

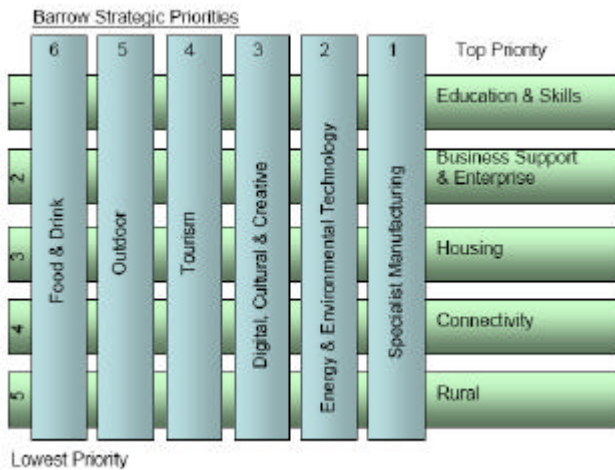
Performance Management

Cumbria Vision will oversee the performance management of the Cumbria Economic Strategy. This will involve maintaining an overview of economic activity generated by partners across Cumbria and monitoring the outputs and outcomes of this activity. A key part of this will be performance management of the Economic Development and Enterprise block of the LAA. Where goals and targets within the Cumbria Economic Strategy and the LAA are not being met, Cumbria Vision will work with partners to commission activity to fill that gap. We will;

- Undertake risk based monitoring, support and assessment of delivery partners; Identifying and resolving weaknesses in delivery capacity.
- Commission delivery programmes in conjunction with funders to address identified areas of market failure or market opportunity.
- Deliver legacy programmes transferred into Cumbria Vision.
- Work with partners to progress projects from pre-concept to investment decision stage.

PART FIVE: MAKING IT HAPPEN

BARROW



Geography:

- The Furness peninsula is a peripheral location with poor communication links by road, rail and air.
- Barrow lies some 35 miles west of junction 36 of the M6 Motorway and is accessed by a 45 minute journey along the restrictive A590 only parts of which are dual carriageway.
- The nearest West Coast mainline station is at Lancaster which is reached by way of a 60-minute rail journey
- Walney Island has a small airstrip, although no scheduled commercial flights operate out of this airfield.

Opportunities:

- Barrow is home to BAE Systems, one of the UK's largest shipyards currently employing 4,500 people. BAE is of strategic importance to the Cumbrian and regional economy and provides employment well beyond the Borough boundaries. BAE have a strong, long term order book, and are developing their capability to compete for civil nuclear contracts. BAE are actively recruiting staff for all projects.
- Barrow is a centre of expertise for offshore engineering and energy. Proposals for further major offshore windfarms and gas storage facilities are being developed.
- Barrow will benefit from around £100M of public sector investment in schools, further and higher education over the next 3 years.
- There is a well developed, coherent and costed regeneration programme for the Borough focusing capital expenditure on the flagship 'Waterfront Barrow' regeneration initiative. 2008 saw completion of the first major contract on Waterfront Business Park with a further £8.8m expenditure committed to infrastructure for 2009-2012. Despite national economic conditions there is still strong interest from a developer in progressing with the Marina Village development.
- A long term, consistently funded, strategy to address low levels of business density and entrepreneurship has resulted in a more diverse economy by structure and sector. There is significant opportunity to further diversify the economic base of the area. In recognition of the work of partners, Furness Enterprise were winners of the Enterprising Britain 2008 North West Regional Award.
- The Borough is 20 minutes from the Lake District and contains areas of high environmental quality, including beautiful beaches, inspiring scenery and nationally important heritage assets.
- The tourism industry in the Borough has grown consistently over the last 15 years.
- The Borough has agreed a clear strategy for capital investment to improve some of the poorest housing in the area.

Challenges:

- Despite the longest period of economic growth since 1945, the Borough has 15,000 people living in wards which contain Super Output Areas (SOA) with levels of deprivation in the worst 3% nationally. Cumbria contains 8 SOAs in the worst 3% nationally, six of those are in Barrow. Barrow remains the second most deprived district in the UK.
- The number of incapacity benefit claimants remains a key challenge. Barrow has the third highest percentage of the working age population claiming incapacity benefit in England 13.4% 5650 people. 50% of all claimants had been out of work for more than 10 years and over half have no formal qualifications.
- Male and female life expectancy at birth has continued to decline in recent years. This runs counter to national trends and the average of other areas of high deprivation.

Barrow Action Plan:

The aim of the plan is to create a physical renaissance in the town that can complement and drive forward a 'step-change' in the local economy. There are six key strands of activity in the agreed Action Plan.

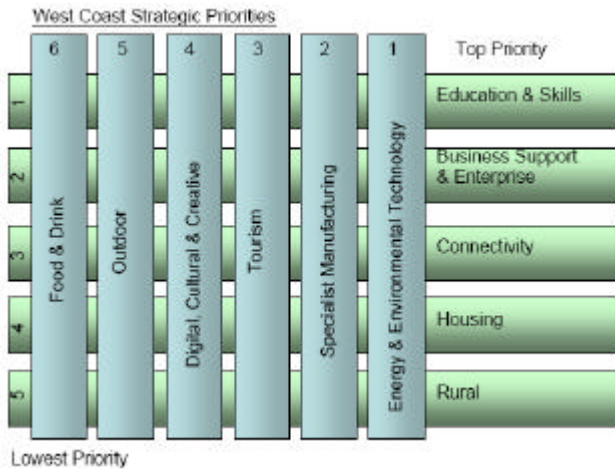
They are:

- Strengthening and diversifying Barrow's economy
- Investing in new business, skills and reducing worklessness
- Creating a vibrant town centre with exciting leisure and lifestyle opportunities
- Renewing the housing market
- Developing 'Waterfront Barrow'
- Creating new gateways and connections

Britain's Energy Coast™:

The Britain's Energy Coast™ programme is a £2billion package of regeneration projects which will advance existing strengths in the nuclear industry and promote diversification into other forms of low carbon industries such as renewable energy. It also focuses on improving West Cumbria and Barrow's infrastructure whether that means better schools, a new hospital, improved road, rail and air links, better sites for businesses to invest in and high quality leisure, cultural and sports facilities. The plan extends to 2027 and is expected to create 16,000 jobs and boost the economy by £800 million.

WEST CUMBRIA



Geography:

- West Cumbria comprises of two Borough Councils, Allerdale and Copeland.
- The Allerdale district comprises three distinct geographical areas. The southern coastal fringe comprises a relatively high population density in Workington, Maryport, Cockermouth and their hinterlands.
- The remainder of Allerdale is predominantly rural with a significant area within the Lake District National Park; Keswick is the most well known of the Lake District towns in the borough.
- The northern part of the Allerdale comprises the Solway Plains which is an Area of Outstanding Natural Beauty and three market towns of Wigton, Aspatria and Silloth.
- Copeland stretches along the West Cumbria coast from just north of Whitehaven, the main town centre and headquarters of the Local Council, to Millom in the south. Two thirds of the area lies within the Lake District National Park.
- Egremont and Cleator Moor are the two other main towns in Copeland.
- About twenty villages are scattered around the District.

Opportunities:

- West Cumbria boasts the reputation as a world-leader in nuclear energy, with wide-ranging expertise in skills such as decommissioning, engineering and environmental remediation. Today Sellafield is home to 50% of the UK's civil nuclear workforce and 36% of the UK's civil nuclear industry.
- Places such as Workington grew thanks to mining and steel making and, despite the decline in these traditional industries over time, have begun to adapt and branch out into other fields such as commerce, retail and new industries. New opportunities have also arisen from the ashes of industrial decline, with West Cumbria boasting an array of brownfield sites that are ideal for development.
- Miles of stunning coastline, stretching from Morecambe Bay to the Solway Firth and encrusted with Georgian gems such as Whitehaven and Maryport.
- Close proximity to the world renowned Lake District, means that there is huge potential for Furness and West Cumbria to expand Cumbria's tourism offer to visitors from far and wide.

Britain's Energy Coast™:

The Britain's Energy Coast™ programme is a £2billion package of regeneration projects which will advance existing strengths in the nuclear industry and promote diversification into other forms of low carbon industries such as renewable energy. It also focuses in improving West Cumbria and Barrow's infrastructure whether that means better schools, a new hospital, improved road, rail and air links, better sites for businesses to invest in and high

quality leisure, cultural and sports facilities. The plan extends to 2027 and is expected to create 16,000 jobs and boost the economy by £800 million.

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

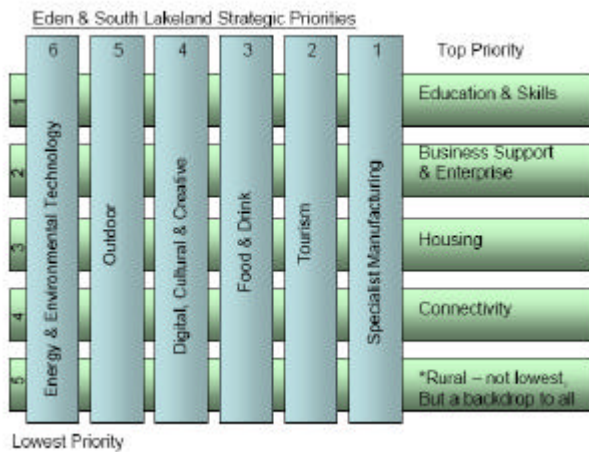
Challenges:

- The Workington and Maryport area has a history of heavy industry and their loss over the years is still affecting the local economy. This has left a legacy of unemployment leading to intergenerational poor health and educational attainment and a benefit claimant rate significantly above the borough average.
- Sellafield has previously been seen as a site closing down, with de-commissioning work, waste storage and some reprocessing earning foreign income. However, with the global renaissance in nuclear power and with renewed vigour from the private sector operators, Nuclear Management Partnership, we are again looking to exploit opportunities offered by the wider renewable and low carbon energy.
- The more affluent areas to the east of the borough which are mostly within the National Park boundary have acute housing market problems. There is an imbalance in this area, owing to a lack of supply, and consequently very high prices.
- The seasonal and part time nature of the jobs on offer, coupled with the low wages associated with a mainly tourism based economy in the east, mean many local people struggle to gain adequate housing to meet their needs. However, opportunities do exist to add value to the existing tourism offer and attract entrepreneurs based on the stunning scenery and quality of life.
- The northern area has pockets of both prosperity and deprivation. This area has suffered from the loss of manufacturing jobs over the past decade as well as a decline in the availability of local services. There is the opportunity to increase tourism in the area, especially centred on the Solway Coast Area of Outstanding Natural Beauty, and the prospect exists to add value to the high quality agricultural produce of the Solway Plain.
- Transport links need to be improved to overcome geographical isolation; there is a need to tackle the pockets of deprivation that exist in communities by improving the quality of life.
- Engagement of the business community needs to be improved.
- Inward investment needs to be attracted.
- Diversification in light of nuclear decommissioning.
- Training and re-training of the local population to meet emerging employer requirements.
- Out-migration of young people needs to be stemmed.
- Attraction and retention of the skilled and talented.
- Town centres need to be developed and effectively managed.

Things to think about.....

- Solway Energy Gateway

EDEN & SOUTH LAKELAND



*Please note that during the consultation process, it was noted by partners that all priorities should be considered against a backdrop of the 'Rural' cross cutting theme, as this was pervasive throughout this part of Cumbria. However, for illustrative purposes to ensure conformity with other models we have kept it in as number 5, not to indicate priority, but to emphasise how the other priorities were subsequently judged.

Geography:

- An area of small characterful towns and villages with deeply rural hinterlands, a sparsely populated rural area of Cumbria.
- The main towns of Kendal, Ulverston, and Penrith, together with important settlements of Grange-over-Sands, Milnthorpe, Kirkby Lonsdale, Windermere and Central Lakes, Sedbergh, Alston, Appleby-in-Westmorland and Kirkby Stephen make up the key settlements.
- The Lake District National Park and Area of Outstanding Natural Beauty designations complement a very high quality upland and lowland landscape throughout the area. The towns and villages present a high quality built environment.

Opportunities:

- High value manufacturing (environmental technology cluster) particularly in Kendal and Ulverston.
- Adding value to local products – food and drink, forestry and agriculture – production and marketing.
- Developing a high quality, world class, yet sustainable local tourism product – accommodation, infrastructure, engagement with the environment, public realm renewal / investment.
- Cultural and creative industries – very strong cluster of world class cultural attractions and organizations
- Knowledge based industry – environmental technologies, renewable energies.
- Skills and education, including the development of the University of Cumbria, together with tackling a lack of HE provision in the East.
- A new commitment and willingness for collaboration and joint working between local authorities and agencies.

Challenges:

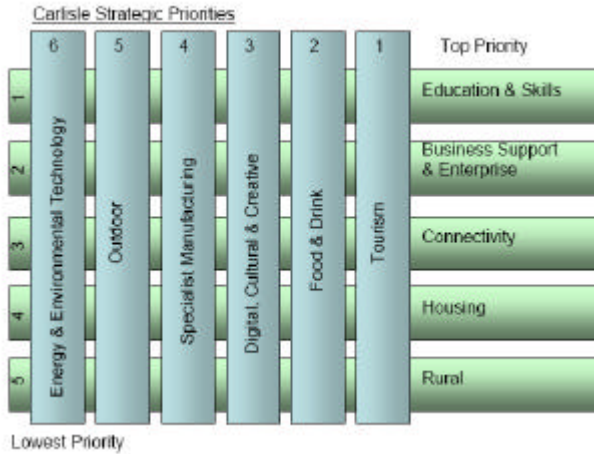
- Increasing the supply of sites for modern business premises and housing – addressing constraints and market failure in delivering sites and housing.
- Constraints by education, skills and affordable housing.
- A loss of young people from the area due to absence of job opportunity.
- Competing attractions of urban / city regions.
- High house prices compared to average salary levels; work required to achieve a balanced housing stock.

- High proportion of part-time working and double-jobbing, combined with labour supply issues.
- Underinvestment – absence of public sector investment in realizing the opportunities that the south and east offer.
- Future sustainability of agriculture and primary production.
- Migrant workers – particularly in tourism and food production industry.
- Sustainability of key and local service centres (loss of services).
- Rurality of area with pockets of deprivation, and a high proportion of micro businesses.

Things to think about.....

- Restoration of the Northern reaches of Lancaster Canal.
- Tourism Development in Eden.
- Effect of 'Peak Oil' and 'Climate Change Agenda' in remote rural communities.
- Further development of a strategic approach to the rural economy.

CARLISLE



Geography:

- Carlisle is at the centre of a beautiful but sparsely populated rural area.
- It is located at the northern tip of Cumbria, near the Scottish border, equidistant from Glasgow and Manchester.
- It is one of England's relatively few free-standing small cities outside the immediate economic influence of a major conurbation. Its nearest major centre is Newcastle.
- The City of Carlisle includes an extensive and attractive rural area of around 100 sq km that includes the Solway Area of Outstanding Natural Beauty in the west and to the North Pennines Area of Outstanding Natural Beauty in the east.
- The Lake District National Park and the Eden Valley are immediately to the south and to the north is the Scottish Border at Gretna.
- Brampton, Longtown and Dalston are the main rural service centres.
- Carlisle is a market town, major shopping centre, transport interchange on the M6 and West Coast Main Line, an employment and service centre for Cumbria and South West Scotland and, with the creation of the University of Cumbria in 2007, a University City.

'Growing Carlisle'

The private sector led Economic Development and Enterprise Group of the Carlisle Partnership has developed 'Growing Carlisle', an economic strategy for the Carlisle City Region. 'Growing Carlisle' is about shaping Carlisle's future to encourage a successful local economy and enhancing its role as Cumbria's regional city within the North-west. The intention is to be bold, ambitious and confident about Carlisle's prospects. Accordingly, the description of Carlisle in 25 years should be;

"Carlisle is Cumbria's dynamic and successful heritage University City, creating growth opportunities in a sustainable environment with skilled people and international connections in a stunning location."

Carlisle Renaissance

Disastrous flooding in 2005 led to the creation of Carlisle Renaissance, a government funded programme to support the regeneration of Carlisle. The vision is to establish Carlisle as a leading heritage city with a growing university, a successful regional commercial centre, the infrastructure to support business investment and good access. The first Action Plan for Carlisle sets out the priorities. The four priority transformational actions are:

- Developing a new city centre campus for the University of Cumbria
- Maximising the economic and cultural potential of the historic quarter and its key assets
- Strengthening the city centre with a mix of new retail, leisure and business uses

- Developing strategic employment sites on the M6 corridor

Opportunities:

(CRB) = Carlisle Renaissance Board led actions

(P) = Other partnership based projects, led by Carlisle City Council, Cumbria County Council or others

- Enable private sector investment in Carlisle Airport [P]
- Facilitate development of University of Cumbria headquarters for completion in 2012 [CRB]
- Historic quarter – establish leadership group, agree strategy and priorities in 2009 [CRB]
- Hadrian's Wall & Carlisle Roman Gateway – project development and implementation [P]
- Employment sites in Carlisle South – land brought to market [P]
- Construction, retail and logistics academies – National Sector Skills Council hubs – implementation [P]
- M6 Corridor employment sites – review/develop master-plans for employment site(s) on junctions 42-44 of the M6 and a strategic masterplan for the M6/Carlisle Northern Development Route corridor around Carlisle [CRB]
- City Centre – facilitate the establishment of a private sector led City Centre Management Company [CRB & P]
- Work with partners to establish a programme of public realm improvements. [CRB & P].
- Work with the County Council to bring forward proposals to reduce through traffic and improve public transport, pedestrian and cycling access [CRB & P]
- Tourism – establish partnership with Cumbria Tourism, Hadrian's Wall Heritage Ltd and Carlisle City Council to provide leadership and focus for development of the sector [P]
- Growth Point and Local Development Framework – Identification of additional housing and employment land and infrastructure investment needs [P]

Challenges:

- Too great a reliance on low productivity sectors
- Under-representation of business sectors with potential for growth
- Prospect of further job losses through re-structuring, especially in the manufacturing sector
- Poor performance in education, loss of talent, few graduate jobs and low aspirations
- Small population with limited economic potential
- Pockets of deprivation and limited access to rural services and jobs
- Perception of remoteness and local congestion
- Under-exploited tourism potential, no professional theatre and lack of high quality hotel.



Cumbria's VISION –
“To be an energised
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