



REPORT TO EXECUTIVE

PORTFOLIO AREA: Economic Development and Enterprise

Date of Meeting: 30 July 2007

Public

Key Decision: No

Recorded in Forward Plan:

No

Inside Policy Framework

Title: Draft Cumbria Economic Plan
Report of: Director of Development Services
Report reference: DS.70/07

Summary:

Cumbria Vision has produced a consultation draft of its Cumbria Economic Plan. This is the action plan for economic regeneration in Cumbria and will eventually include funding allocations that will inform the draw down of NWDA funding to Cumbria – including to Carlisle Renaissance. The current draft is attached. Comments are invited up to 21 August.

Recommendations:

The Executive is asked to comment on the draft and to refer it to Infrastructure Overview and Scrutiny Committee on 2 August for comment prior to a draft response to Cumbria Vision for 21 August and a final response being agreed at the Executive on 28 August, subject to discussions with Cumbria Vision on the timetable.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1. BACKGROUND INFORMATION AND OPTIONS

Cumbria Vision has produced a consultation draft of its Cumbria Economic Plan. This is the action plan for economic regeneration in Cumbria and will eventually include funding allocations that will inform the draw down of NWDA funding to Cumbria – including to Carlisle Renaissance. Comments are invited up to 21 August.

For this report, officers have considered a draft dated 28 June 2007, that was made available on the Cumbria Vision website. The comments that follow in this report are based on that version. However on 19 July, the day before the deadline for papers to go out for this meeting, a revised version was issued by Cumbria Vision and it is that version which is attached. Some of the comments in this report have been picked up in the updated version and are no longer relevant.

Officers will now work on the revised draft and will draw any key issues to the attention of the Executive at the meeting.

The deadline for comments is 21 August, when the Cumbria Vision Strategy Committee meets. This timescale allows for the Executive to consider the report on 30 July and for Overview and Scrutiny Committee to discuss it on 2 August. However as the Plan will be presented to the Cumbria Vision Board on 7 September it may be possible to come back to Executive on 28 August and refer any final comments to Cumbria Vision for the Board meeting. Officer will explore this possibility and advise the Executive at the meeting.

2. CONSULTATION

2.1 Consultation to Date.

2.2 Consultation proposed. Referral to Infrastructure O&S on 2 August

3. RECOMMENDATIONS

The Executive is asked to comment on the draft and to refer it to Infrastructure Overview and Scrutiny Committee on 2 August for comment prior to a draft response to Cumbria Vision for 21 August and a final response being agreed at the Executive on 28 August, subject to discussions with Cumbria Vision on the timetable.

4. REASONS FOR RECOMMENDATIONS

To enable a response to be made to Cumbria Vision

5. IMPLICATIONS

- Staffing/Resources – the Cumbria Economic Plan will set the context for resources to be allocated to Carlisle.
- Financial – as above
- Legal – n/a
- Corporate – n/a
- Risk Management – The Council needs to work in partnership with Cumbria vision to ensure that Carlisle's needs are recognised and balanced with the wider needs of Cumbria.
- Equality and Disability – n/a
- Environmental – n/a
- Crime and Disorder – n/a
- Impact on Customers – n/a

CUMBRIA ECONOMIC PLAN

Second Consultation Draft

20 July 2007

cumbriavision

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EXECUTIVE SUMMARY

The Cumbria Economic Plan is the action plan for economic regeneration in Cumbria. It is an action plan for the whole County, as opposed to the vision of one single organisation, and has been guided by the commitment and full involvement of all public and private sector partners.

Although the economic plan has been prepared by Cumbria Vision it is owned, and has been authored and driven by local partners and takes into consideration existing and emerging local, regional, national and European policy; sectoral research; and a sound evidence base specifically relevant to the economic growth potential of Cumbria.

The Economic Plan initially addresses the current state of the economy in Cumbria – a county of contrasts and challenges that highlight the key issues facing its economy.

These include;

- A concentration of economic activity in certain key sectors
- A slow improvement in historically low levels of enterprise and business formation
- Extremely poor economic performance when measured in terms of Gross Value Added, although there are signs that since 2003 things have started to improve
- Average levels of earnings and employment, which mask extreme pockets of worklessness and low wages in some parts of the county
- A growing population reflected by high levels of inward migration by older people and a steady decline in the number of younger people, who are moving out of the County in search of a better lifestyle, education, employment and housing opportunities
- Generally high levels of basic education and skills amongst the workforce, but with concerns about higher level skills amongst working population
- Poor infrastructure which is unsuited to the demands of economic growth
- An under supply of housing which in certain parts of the County raises issues with affordability

The Plan identifies the following key challenges faced by Cumbria:

Business, Enterprise and Employment

The Cumbria Economic Plan aims to;

- Encourage small businesses to expand and provide employment opportunities, particularly within priority sectors where small and medium sized enterprises can develop niche markets such as digital and creative industries and food and drink
- Improve productivity and develop market opportunities through the improved competitiveness of companies.
- Encourage attracting inward investment into the County in key sectors such as nuclear, other energy sectors and specialist manufacturing.
- Give support to the development of priority growth sectors such as nuclear, energy and maritime through support for improving skills base; the development

of supply chain networks; external recruitment and increased specialist research and development

- Encourage the growth of public sector jobs through lobbying for a greater decentralisation of Government jobs

Education and Skills

The Economic Plan aims to;

- The new University of Cumbria needs to provide learning opportunities which link to current and future employer needs in Cumbria
- Improve the skills base of the working age population of Cumbria improves through increasing the number of people with Level 3 and 4 qualifications up to the national average
- Reduce the level of worklessness and reliance on Working Age Benefits, particularly incapacity benefit in areas such as West Cumbria and Furness

Infrastructure

The Economic Plan aims to;

- Improve road, rail and air connectivity to enhance the attractiveness of Cumbria to inward investors
- Promote and develop the ICT infrastructure network to ensure all parts of Cumbria are able to take advantage of a world class communications infrastructure.
- Provide an adequate supply of employment and business sites within all parts of Cumbria that will meet the needs of both existing and new businesses
- Ensure a sufficient supply of all types of housing in all parts of Cumbria so that key workers have access to adequate and affordable housing.

Quality of Life

The Economic Plan aims to;

- Preserve and promote Cumbria's natural environment to ensure it continues to make a major contribution towards the area as a place to live, learn and work.
- Introduce new and improve existing visitor-focused products and services to increase the economic benefits of tourism in Cumbria as a whole to encourage longer visitor stay duration and higher spend

In order to address these challenges, our partners have set out a vision for Cumbria. The Economic Plan addresses the key challenges identified and presents a ten year vision for the Cumbrian economy, based on a move towards:

A dynamic, sustainable Cumbria positively positioned in the global economy

This will be delivered through:

- Delivering growth across sectors where Cumbria has a unique market leadership, assets and advantage
- Securing a successful rural and urban economy
- Driving innovation and research and development

Business, Enterprise and Employment

The strategic priorities are:

- To encourage business development in the following key growth sectors (a) Nuclear, Energy and Environmental Technologies (b) Specialist Manufacturing (c) Tourism (d) Digital and Creative Industries (e) Food and Drink (d) Outdoor Education and Recreation
- To provide business support that encourages enterprise, diversification, innovation to help business survive and flourish
- To provide improved employment opportunities by creating a significant number of new jobs, particularly those in easy reach of disadvantaged communities

Education and Skills

The strategic priorities:

- To encourage access to Higher Education and the Distributed Learning Network
- To take full advantage of the development of a Nuclear Skills Programme
- To encourage high level knowledge Transfer, Research and Development.
- To develop an integrated education and skills strategy, linked to the future needs of employers

Infrastructure

The strategic priorities are:

- To improve connectivity into and within Cumbria through the development of road, rail, air and sea links
- To ensure an adequate supply of strategic employment sites and premises
- To ensure an adequate supply of housing of all types but in particular affordable housing in areas of particular housing pressure
- To continue the development of ICT capacity and capability in the county.

In addition the plan has to address an issue which is central to the economic well being of Cumbria namely:

Quality of Life

The strategic priorities are:

- to preserve and enhance the natural environment
- to preserve and develop the unique cultural identity of the County
- to ensure improvement to health, education and other public services

to improve the built environment to internationally recognised standards

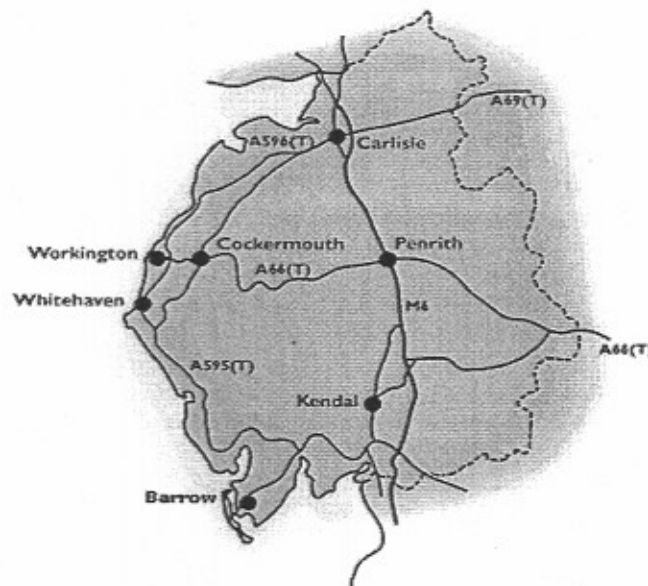
PART ONE: The Strategy

SECTION ONE: CUMBRIA TODAY

1.1 Cumbria – a county of contrasts and challenges

Cumbria is unique. Our past, current and future economic performance is shaped by the geographical landscape. There is a balance in Cumbria that is found nowhere else in England in an area which contains the most beautiful National Park, internationally renowned skills in nuclear, energy, ship building and specialist engineering. Juxtaposed to this Cumbria also has some of the most deprived wards in Europe. The essence of what makes Cumbria special presents us with a challenging set of circumstances which affect all our thematic priorities.

Cumbria really is unique. We have an interdependence on industry sectors which include tourism, upland farming, heavy manufacturing and distribution. We have to reverse the trend of a dissipating and ageing population, grow the economy faster than elsewhere in the UK to simply achieve average GVA, whilst not damaging the fragile environment of the county. Our economic plan must therefore contain some unique propositions.



Cumbria: Facts and Figures

Population	498,900
Area	6,768 sq kilometres
Density of population	0.7 persons per hectare
Working Age Population	300,100 (60.1% of population)
Total Workforce	215,792
Workforce in Agriculture	3,398
Workforce in Manufacturing	36,755
Workforce in Hotels/Restaurants	63,020
Unemployed (claimants)	5,589
VAT registered businesses	17,700
GVA (£ million)	6,440
GVA per head	£13,017 (76% of UK)
Average house Price	£165,217

1.2 Current state of the Cumbria Economy

The following statistics provide a baseline for understanding the nature of the economy within Cumbria and enable comparison with both the North West and England and Wales. For a fuller statistical analysis, please refer to Appendices 1 and 4.

Table 1.1: Overview of Cumbria

	Cumbria	North West	England
Land area (ha)	676,715	1,410,571	13,027,872
Gross Value Added (£m, 2002)	6,440	102,366	1044,165 (UK)
GVA per head (as % of UK average)	77	88	100
GVA growth rate (03-04) ^(UK INDEX)	6.7	5.6	5.9
Claimant count rate	1.9%	2.8%	2.5% (UK)
Economic Activity Rate	77.2%	72.4%	74.1%
Incapacity Benefit Rate (Working Age)	8.1%	9.7%	7.3% (GB)
Median FT annual income (£)	23,731	24,739	27,049
Population	498,900	6,846,200	53,390,200
Population growth 1991-2004	1.7%	-0.2%	
% Population in rural areas	51.6%	12.1%	20.3%
Average house prices (2007)	£138,999	£134,084	£180,594

Cumbria has been described as a County of contrasts (*Sustainable Cumbria 2004-2024*) and this is well demonstrated in the juxtapositions of:

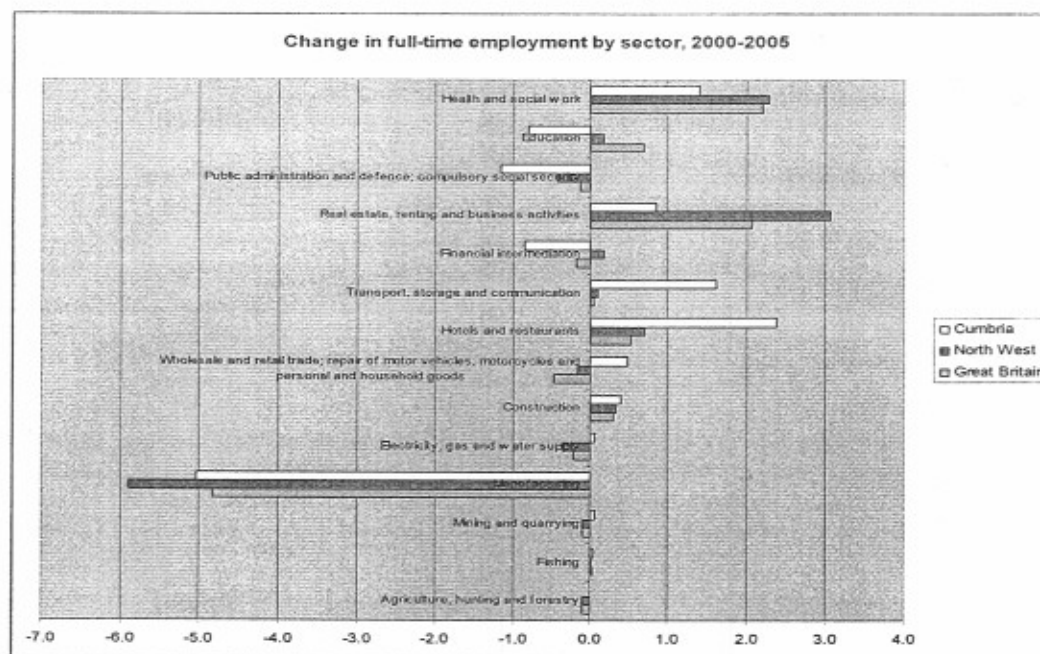
- Outstanding natural beauty contrasting with major industrial landscapes
- Good North-South accessibility contrasting with poor East-West accessibility
- Low wage tourism jobs contrasting with high paid specialist nuclear/manufacturing jobs
- Housing market collapse in some areas contrasting with soaring house prices in other selected areas

Radical steps have been taken in the past ten years to help meet these challenges and secure investment and economic growth - now further transformational changes are required over the next ten years.

Cumbria's economic structure contains regional concentrations of some sectors and a lack in others....

The overall employment structure of Cumbria differs from that of the region and England in several distinct sectors with a higher reliance on agriculture, hospitality and manufacturing and lower than average representation of finance, business services and education. This pattern is further complicated through over reliance on one predominant industry sector in any given area, (e.g. manufacturing in Copeland 46.5% compared to a national average of 15.1%)

Figure 1.2: Sectoral change in employment 2000-2005



It is notable that those sectors with the greatest proportionate decline are generally those upon which the Cumbrian economy is currently most reliant (see Figure 2.2)

Copeland and Barrow have a high proportion of larger employers, and rural areas of Cumbria are much more reliant on smaller firms. This is a clear indicator of the localised nature of Cumbria's economic structure.

Source: ONS Annual Business Inquiry

Historically low growth in new enterprises is steadily improving....

Since 2000 however, the Cumbrian growth rate has been more favourable, with all districts except Eden matching or outperforming the national average. In terms of the survival rate for newly-registered businesses, all districts of Cumbria fare significantly better than the nation or region as a whole, indicating perhaps a latent culture of successful entrepreneurship and a healthy environment for business creation.

Agriculture and the wholesale / retail sectors have suffered significant net declines, whilst the construction, real estate and hotel sectors saw significant increases. Most other sectors have remained relatively stable.

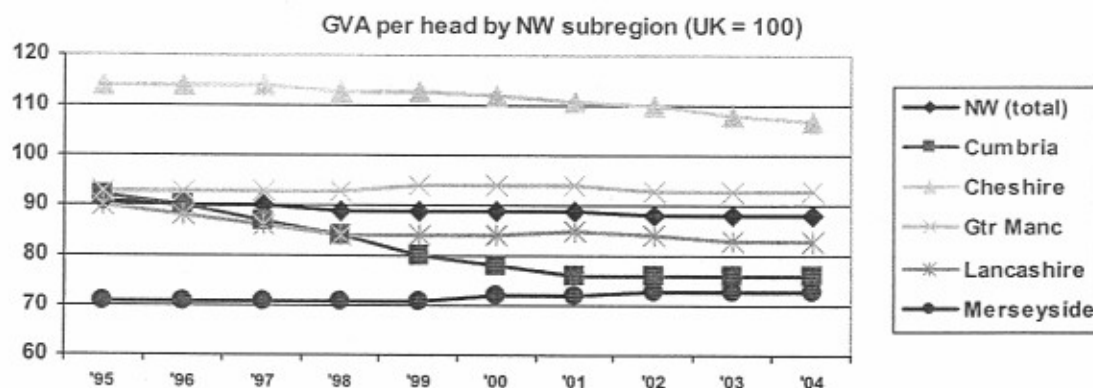
ONS VAT Registrations/De-Registrations

Whilst poor GVA performance is showing improvement.....

As Figure 2.3 shows, between 2002 and 2004, relative GVA growth rates in Cumbria (6.5%) as a whole have outpaced those at both regional (5.7%) and national (6.0%) level, indicating a recent upturn in the Cumbrian economy.

While headline trends in GVA growth appear to be relatively favourable, GVA *per head* has actually remained almost constant since 2000. This can be partly attributed to job losses in the manufacturing sector. Reported corporate changes in the County indicate many closures in the industry where levels of GVA per worker are relatively high, alongside reports of gains in sectors where salaries are generally lower, most significantly in the hotel / restaurant sector.

Figure 1.3: GVA by Head, 1995-2004



Source: Office for National Statistics

Employment and earnings are strong, but vary across the county.....

However there are significant differences between the western and eastern parts of the County, with Barrow and Copeland 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, (which mostly relate to lower-level manufacturing jobs.)

Source: Office for National Statistics Claimant Count

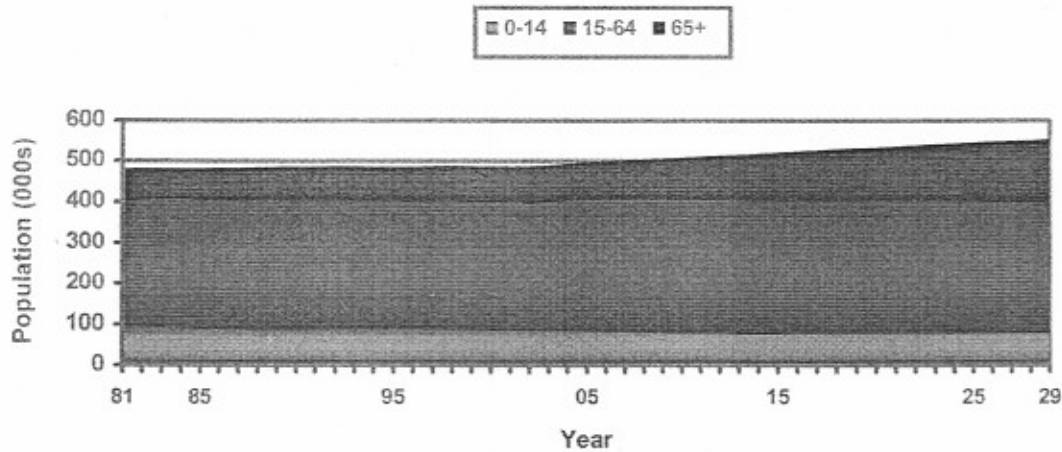
Cumbria fares quite well in terms of average earnings, however mean annual earnings (£23,731) are still well below the North West (£24,739) and UK (£27,049) averages. The County-wide average is skewed by the presence of some particularly well-paid sectors, most notably the nuclear industries, and also by the high-degree of in-commuting by higher paid workers, indicated by gaps between earnings by place of residence and by place of work in Copeland and Allerdale.

Sources: ONS Annual survey of Hours and Earnings, ONS Index of Multiple Deprivations

Population growth is largely amongst older people in rural areas.....

Although the population of Cumbria has increased by 8,500 since 1991 and is forecast to continue to increase through to 2029, the age structure of the population has undergone a significant change during the past fifteen years, with the proportion of the 64+ group increasing by around 30,000, whilst the proportion of 16-30 year olds has fallen by around 15,000.

Figure 1.4: Population change and projections 1981-2029



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 accounts for the disparity between districts, with rural areas experiencing the highest growth. These trends are projected to continue at least until 2029 due to continued migration and increasing longevity.

Education and skills are strong, but with concerns in key skills for the future....

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.

Source: NOMIS Labour Force Survey 2003/4

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. This is evidenced by Table 2.5, indicating a broad projected skills requirement across key knowledge and skills sectors.

Table 1.5: Skills requirements of Cumbrian Businesses

Skills required over next 3-5 years (% of businesses identifying future needs)	
	%
Health and safety	12
Engineering and technical	14
Customer service	17
Personal skills	17
Advanced IT	22
Basic IT	22
Job specific skills	32

Source: CEIP Cumbria Employer Survey 2004

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

Housing suffers from under-supply and problems of affordability.....

Cumbria faces not only a severe shortage of affordable housing following sustained price rises over the past decade, but also the problem of housing market collapse in

localised areas of West Cumbria, brought about by sustained population loss and outdated housing stock. It is the lack of attractive modern housing and suitable family homes which has the potential to have a severe effect on economic growth in the future.

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 the 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 271 ship arrivals / departures in 2003, indicating their status as minor ports. Carlisle Airport does not currently operate as a commercial airport, however it does offer great potential as an economic driver should it be returned to commercial status.

SECTION TWO: KEY CHALLENGES AND OPPORTUNITIES

2.1 Context

In economic terms, Cumbria has been the slowest growing sub-region in the UK since the mid-1990s. This poor performance stems from many factors, including the decline of traditional heavy industries in the west of the county, the changing structure of agriculture and the rural economy, and the remoteness of certain parts of the county. Despite these setbacks, there are strong opportunities for development in the county, arising from the quality of the urban and rural environments, and strength of some sectors that are prioritised in the Regional Economic Strategy (RES). This chapter examines the current challenges facing the Cumbrian economy, and identifies the opportunities available to address these issues.

2.2 Business, Enterprise and Employment

Section one outlines the issues surrounding the relative decline of the Cumbrian economy; and highlights the need for policies and programmes focusing on business, enterprise and employment, which address the reversal of this decline.

The key challenges are;

- Tackling the low wage economy and under-employment in a number of key sectors, including agriculture, tourism and significant elements of the service sector.
- Addressing the lack of medium-sized firms, and reducing the reliance on small businesses in rural areas, and the few large, dominant firms elsewhere such as BAe Systems in Barrow.
- Minimising the impact of structural changes affecting the nuclear industries.
- Increasing the limited number of jobs in growth areas of business and financial services, and achieving a critical mass in these sectors that supports overall business growth
- Increasing the poor competitiveness of Cumbrian businesses

- Raising the profile and branding of Cumbrian locations and products
- Balancing the uneven distribution of tourism across the county, to encourage increased visitor spend in the Lake District, and encourage increased visitor numbers and spend in the rest of Cumbria.
- Increasing the connectivity of businesses thorough improving infrastructure and encouraging supply-chain development.
- Ensuring entry into employment for the high concentrations of economically inactive people in the deprived western areas of the county
- Finding innovative solutions to counteract Cumbria's physical remoteness from mass-markets and areas of growth
- Encouraging business creation and investment to improve the low business density currently found in deprived areas.
- Retaining young people and key sectors of the working age population within the county

The Opportunities

Despite the numerous economic challenges facing Cumbria, the county possesses a number of opportunities in terms of it's business base

The opportunities include;

- The potential for encouraging growth in the established and successful base of small businesses in Cumbria.
- The Expansion and development of existing niche products and services in growth markets
- The potential to capitalise on the leading profile of Cumbria in a number of growth markets, including maritime / offshore engineering, sports and outdoor recreation and food processing.
- The national standing of Cumbria in the nuclear decommissioning and skills agenda, and the international agenda for reduction of carbon emissions, presenting opportunities to develop both the nuclear and sustainable energy industries.
- The exceptional quality of the urban and rural environments within the county, offering the potential to attract and retain businesses, investment and a balanced and skilled workforce.
- The existing international recognition of the Lake District and Hadrians Wall brands, which can be used to raise the profile of all the locations and products within the county
- The potential for growth and cluster development in knowledge, scientific, advanced manufacturing and creative industries, building on the existing sector bases, excellent ICT infrastructure and the high quality of life within the county
- The latent manufacturing skills base amongst the workforce of West Cumbria and Furness as a resource for the attraction of new industries

- The identification in the Lyons review of Cumbria as a potential location for decentralisation of public sector services.
- The skills and labour potential offered by the relatively high levels of in-migrants from other EU countries.
- The current strength of the voluntary and community sector in Cumbria

The vision

By capitalising on this broad range of opportunities, in 20 years time the Cumbrian economy will enjoy;

- GVA levels and growth that match and exceed the highest performing regions of the UK
- A balanced business base, with an appropriate mix of small, medium and large enterprise
- A world-class reputation in nuclear and sustainable energy, science and knowledge-based industries
- Market-leading positions in niche sectors including food, advanced engineering, and outdoor tourism
- Internationally recognised branding that ensures Cumbrian locations and products are synonymous with quality and excellence
- A broad range of employment opportunities ensuring well-paid jobs for all members of the Cumbrian workforce
- A balanced and skilled workforce that meets the needs of existing and future business.

2.3 Education and Skills

A workforce with the right mix of appropriate skills and qualifications is essential for the ongoing health of the Cumbrian economy. At present, the skills levels of the workforce vary enormously across the county, and in many cases do not meet the requirements of existing businesses, or those seeking to relocate to Cumbria. Furthermore, higher education provision is very limited, and many of the highly-specialised industries in the county have difficulty in meeting their individual skills requirements. The forthcoming University of Cumbria and the National Nuclear Academy offer unparalleled opportunities to meet these needs.

The Key Challenges are:

- Improving employability amongst the high proportion of workless people, particularly in the western areas of the county, through increasing levels of basic and vocational skills.
- To increase the number of higher (Level 3 and 4) qualifications to the national average.
- Ensuring workers in lower-paying sectors have access to appropriate training that allows them to progress to better jobs.

- To provide courses that meet the identified skills needs of the specialist employers across the county
- To provide a significantly enhanced higher education offer, to retain and attract young people in the county

The key opportunities include;

- The creation of the University of Cumbria, and it's future potential for becoming an internationally renowned organisation, delivering flexible courses that meet the specialised needs of Cumbrian businesses
- The potential for development of Cumbrian FE institutions in partnership with the University, ensuring that all the population of the county has access to higher and further educational opportunities
- The siting of the headquarters of the National Nuclear Academy in the west of the county, ensuring a market-leading position for the county in nuclear skills
- The potential to develop work-based learning programmes and opportunities.
- The proposed National Academy for Outdoor Skills at Penrith, reinforcing Cumbria's leading position in the growth sector of Outdoor sports.
- The potential developing life long learning opportunities through Cumbria Higher Learning – the lifelong learning network for Cumbria.
- The opportunities to ensure that all 14 – 19 year olds secure access to a personalised learning and achievement entitlements and that this develops their full potential for when they join the workforce.

The vision:

By capitalising on this broad range of opportunities, in 20 years time the Cumbrian economy will enjoy;

- A workforce with a balance of skills and qualifications that ensure they can maximise their potential
- A workforce with the skills and qualifications to meet the needs of existing Cumbrian businesses, and those seeking to relocate here.

2.4 Infrastructure

The Cumbrian economy experiences disadvantages due to remoteness from mass-markets in population centres, poor transport infrastructure (especially east-west) And a lack of available land and premises suitable for housing and economic development. On a more positive note, ICT infrastructure is excellent for a rural county. Whilst major infrastructure developments are by necessity a long-term aim, opportunities exist for more immediate improvements

The Key Challenges are:

- Improving accessibility by road and rail in the county, which is currently excellent on a north-south axis with the M6 Motorway and the West Coast Mainline, but is poor on an east-west axis
- Poor connectivity with regional, national and international locations and markets
- A dwindling supply of suitable and affordable land and premises that meets the needs of current and future businesses

- Addressing the chronic shortage of decent, affordable housing in the county that meets local and key worker needs.
- Addressing the lack of suitable higher-end housing in the west of the county that encourages higher-earning workers and business leaders to live and work in the area
- Ensuring that the ICT infrastructure network continues to develop to keep pace with technological advances.

The key opportunities include;

- Major redevelopment plans for Barrow, Whitehaven and Workington ports increasing marine accessibility.
- The proposed re-opening of Carlisle airport providing freight and passenger links between Cumbria, the rest of the UK and beyond.
- A range of key strategic employment sites including Kingmoor Park in Carlisle, Westlakes Science Park near Whitehaven, Lillyhall, Derwent Forest and Barrow Waterfront
- Capitalising on national, regional and sub-regional policy shifts towards ensuring adequate supplies of appropriate, affordable housing.
- Influencing the production of district-wide Local Development Frameworks to ensure increases in the provision of land for housing and employment.

The Vision:

By capitalising on this broad range of opportunities, in 20 years time the Cumbrian economy will enjoy;

- Accessibility and connectivity between all areas of the county and regional, national and international markets
- A readily available supply of land and premises that meet the needs of existing and new businesses.
- Healthy, balanced housing markets that provide decent, affordable housing for all.
- A strong, effective ICT infrastructure that sits at the forefront of global technology.

2.5 The Rural Economy

It is widely recognised that the economy of rural Cumbria is experiencing problems in terms of the decline in traditional employment sectors such as agriculture and in the restructuring of other sectors such as manufacturing etc. However, the economic health of rural areas is vital to the economic health of Cumbria – over 50% of the population live in rural areas – and rural areas provide important employment and housing needs.

Key Challenges are:

- Continued provision of opportunities for the development and growth of market towns and key service centres throughout Cumbria.

- To ensure that access to services such as banks, post offices, health facilities and shops are either maintained or acceptable alternative arrangements are put in place to secure the sustainability of rural communities
- Provide adequate land for the expansion of existing businesses and premises for new businesses starts
- Ensuring the provision of adequate land for the expansion of affordable housing to ensure a balanced housing market and support economic growth, especially in those rural areas in which there is high level of demand for housing.
- To meet the demands on public services caused by the demographic changes in rural areas with an aging population that places a greater demand on those services.

The Key Opportunities are:

- The maximisation of the potential of market towns and key service centres, as a place to live, work, shop and provide key social, educational and health facilities.
- The development of a sustainable and diversified agricultural sector that builds on the strengths of Cumbria
- The development of new and existing businesses in rural areas through the promotion of positive planning policies and realistic designation of development land opportunities to ensure the rural economy prospers.

The development of high quality and high value added tourism development appropriate to the nature of the distinctive geographical areas of rural Cumbria. **The vision:**

By capitalising on this broad range of opportunities, in 20 years time the Cumbria economy will enjoy:

- Prosperous rural market towns and key service centres providing a full range of housing, employment, retail and social facilities providing an exceptional quality of life.
- A diversified agricultural economy which markets produce from Cumbria both nationally and internationally.
- A positive planning framework which recognises the development needs of rural Cumbria and accommodates limited growth to accommodate these aspirations.

2.6 Quality of Life

Cumbria's natural, cultural and built environments are unique and make a major contribution to the attractiveness of Cumbria as a place to live and work. The need for economic growth therefore needs to be balanced with the protection of the county's environment, especially in the face of changes in land-use practices, tourism trends and traffic congestion. Cumbria also faces challenges in the future from an ageing population, putting increased pressure on health and social care services.

The Key challenges are

- Ensuring the delivery of economic growth whilst protecting the unique landscape and environment of Cumbria's urban and rural areas.
- Adapting to changes in landscape usage and management brought about by agricultural reform and changing tourism trends.
- Remediation of areas of derelict or contaminated land, primarily in the west of the county
- Adjusting the economy of the county to cope with the changing demographics of the Cumbrian population and the subsequent pressure on basic services

- The current lack of information concerning the correlation between health and economic performance
- The need to reduce the high proportion of worklessness caused by illness and disability, especially in the urban areas of the county.

The key opportunities include

- Maximising the benefits offered by the Cumbria Local Area Agreement, through strengthening linkages between the economic strategies and the emerging LAA
- Capitalising on the rich cultural heritage of Cumbria to complement its environmental assets.
- Providing input into Local Development Frameworks to achieve a healthy balance of economic and quality-of-life issues.
- Conducting research into the interrelationship between health and economic performance and identifying positive actions to influence this relationship
- Potential for remediation of brownfield sites as part of the wider Economic Plan
- Encourage sustainable forms of transportation to reduce traffic congestion.
- Building on the existing strengths of the Community and Voluntary Sector to ensure effective delivery of services.
- Providing opportunities for younger people to live in Cumbria, to maintain a balanced spread of population.

The Vision

By capitalising on this broad range of opportunities, in 20 years time, Cumbria will enjoy:

- A sustainable economy, where growth and environmental management are complimentary to one another.
- A healthy, sustainable, and balanced population
- A strong, effective system of health and social care that maximises the strengths of Public, private and voluntary sectors.

SECTION THREE: THE STRATEGY

3.1 Business, Enterprise and Employment

The strategic priorities are:

- To encourage business development in the following key growth sectors (1) Nuclear, Energy and Environmental Technologies (2) Specialist Manufacturing (3) Tourism (4) Digital, cultural and creative Industries (5) Food and Drink (6) Outdoor sport, education and recreation
- To provide business support that encourages enterprise, diversification, innovation and business survivability
- To provide improved employment opportunities through the creation of significant numbers of new jobs and improve the accessibility of particularly disadvantaged communities to those jobs

3.1.1 Business development

Nuclear, Energy and Environmental Technologies

The work of the West Cumbria Strategic Forum's Master Plan acknowledges the area's comparative nuclear advantage and key nuclear strengths. As host to the world's single largest concentration of nuclear facilities, with 36% of the UK's civil nuclear industry at Sellafield, the area has an internationally unique skills base and technological expertise, including environmental remediation, engineering and decommissioning. Employment in Research and Development (R&D) is double the national average, and a cluster of expertise in renewable energy sources has already emerged. With these elements in place, West Cumbria has the potential to deliver critical elements of a national energy strategy, based around the imperatives of

The term, Britain's Energy Coast, has been created to synergise the opportunities that national energy issues and West Cumbrian strengths can bring together. The government is consulting over the summer of 2007 on "The Future of Nuclear Power" which may lead to new build in the UK and in West Cumbria in the next 20 years. Over the next ten years, Europe's target for energy produced by renewable technologies will rise to 20% with Scotland's already standing at 40%. Combined with the maritime industries sector around Furness, there is tremendous potential to exploit the concentration of expertise and local support for power generation and related infrastructure.

The key priorities are to:

- Maximise decommissioning benefit through the influencing of NDA procurement where appropriate; Strengthen and extend the existing local nuclear SME supply chain through ongoing engagement with Tier 1 and 2 contractors.
- Develop global brand recognition as 'Britain's Energy Coast' and maximise the opportunities for an 'Energy, environment and technology' business cluster
- Develop the business case for nuclear new build in West Cumbria and identify opportunities arising out of the area's potential for waste management and storage.
- Capitalise on the expertise and capability which exists in Cumbria to explore and develop renewable energy generation, including offshore wind and tidal power generation.
- Instigate a programme of commercialisation support, to encourage diversification of supply chain companies and maximise the spin out benefits from existing know how, techniques and processes from within Sellafield
- Maintaining and developing the specialist research and skills base in the area through supporting the National Nuclear Laboratory, and ensuring a broad remit for the facility, including hydrogen, environmental research, defence and security amongst other areas

Specialised Manufacturing

Discrete, specialist manufacturing forms a fundamental component of the Cumbrian economy, particularly in the west of the county. Supporting and developing the existing cluster of specialist manufacturers, particularly in the marine, offshore and energy sectors, will ensure that they continue to provide high-quality, high GVA jobs that are relevant to the skills base of a large number of Cumbrians. Expanding these clusters by attracting new companies and investment to the area will enhance the competitiveness of this existing base.

The key priorities are to;

- Encourage the development of new products and processes to increase competitiveness of existing manufacturers and provide access to new markets
- Capitalise on existing manufacturing clusters to attract new, high-quality companies to Cumbria

Provision of financial assistance in the form of Assisted Area and local grants to help attract additional capital investment into Cumbria.

- Encourage the use of Lean Manufacturing Techniques and capitalizing on the specialist help and advice of the Manufacturing Institute
- Exploit the e-commerce opportunities provided by Cumbria's excellent Broadband infrastructure
- Lobby to seek more secure and cost effective energy resources. Currently high energy costs are competitively disadvantaging Cumbria's manufacturing industry
- Develop a portfolio of actions that address the specific needs of key manufacturing sectors such as sub-sea engineering and the electronics industry.

Tourism

Tourism is a major component of the Cumbrian economy, contributing £1,129 million in 2005. This is particularly in the rural areas of the county. Nonetheless the sector faces a number of challenges, including developing the offer in peripheral parts of the county, and modernising the facilities and offer in more popular areas, to maximise visitor spend. In order to address the issues surrounding the development of the tourism sector in Cumbria, concerted action will be required by all partners.

The key priorities are to;

- Improve the quality of accommodation and visitor facilities across the county, to ensure their quality matches that of the built and natural environment
- Ensure the maintenance and enhancement of the natural and built environments that are fundamental to the appeal of Cumbria as a tourist destination.
- Develop an internationally-recognised 'Cumbrian' brand that both refreshes the image of the Lake District, but also highlights the offer of other areas of the county
- Encourage the growth of smaller tourism-based business to ensure they can re-invest in their businesses and secure a self-sustaining futures.
- Maximise the opportunities for tourism development offered by major infrastructure projects such as Derwent Forest, Lowther Castle, and the west coast ports.
- Unlock the potential of Cumbrian destinations – Hadrians Wall, Carlisle.
- Develop and support new, diverse tourism activities that encourage longer visitor stays and higher visitor spending.
- Explore opportunities for the development of business tourism in the county
- Increase skill and qualification levels in the tourism workforce to improve the quality of services.

Digital, cultural and creative Industries

The digital and creative industries are one of the fastest growing sectors in the economy expanding at a rate of 6% compared to 3% for the economy as a whole and the North West has a thriving digital and creative industry sector contributing £6 billion per annum to the UK economy. The cluster in the region is home to 26,000 companies employing 140,000 people, the digital and creative industries sector in Cumbria is currently underperforming and is not providing the replacement economy, or the economic diversification potential, that has been achieved in other sub regions. The sector operates at less than half to a quarter of the value it should have in a typical economy Therefore the visionary objective is to at least double the size of the sector in Cumbria which is currently valued at around £104 million in GVA.

The unique cultural assets of Cumbria, both historical and contemporary, are a major asset to the visitor economy and the quality of life for Cumbrian residents, however the sector suffers from a lack of investment and a poorly-developed business base. In addition to the priorities described below, the requirements for development of Cultural business assets mirror those described for the tourism sector above.

The key priorities are to;

- Create a new market based on inward migration of businesses re-locating to Cumbria to serve national and international markets, by capitalising on the quality of the county's built and natural environment and the flexibility of location inherent in the sector.

- Encourage a more co-ordinated approach to development of the Cultural sector within Cumbria
- Maximise the benefits of the strong digital and creative sectors in other areas of the North West
- Maximise the development of indigenous business

Food and Drink

Food and drink is a priority growth sector for Cumbria and the county has world class, highly innovative food and drink businesses. Within Cumbria we have an established reputation for a quality food and drink offering that extends outwards into Tourism industry. The high quality of Cumbrian agriculture provides the basis for this sector and working with partners we will continue to provide appropriate support. Cumbria Vision will work with partners to enable a competitive food and drink sector that actively promotes local produce along with sustainable production and consumption.

The key priorities are to:

- Increase the profile of Cumbrian Food and Drink; locally, regionally, nationally and internationally, through the development of the 'Made in Cumbria' brand.
- Encourage innovation and efficiency improvements
- Provide support and infrastructure for cluster and integrated supply chain development.
- Encourage public procurement of local produce
- Support skills development of the food-based workforce and raise the profile of the sector as a career choice.
- Develop enhanced higher-value-added activities

Outdoor sport, education and recreation

Outdoor sport, education and recreation are growth areas in which Cumbria has a natural, permanent and unmatched advantage in the landscape of the Lake District, the Pennines and the coast. Cumbria offers a very broad range of adventure activities which make the title of 'Adventure Capital' credible with over 100 outdoor activity and education centres supporting 2,400 jobs and generating around £100 million per annum. Employment in the outdoor sector nationwide is increasing at 7% per annum.

The key priorities are to;

- Support and encourage a partnership approach to outdoor activity development at local, county and regional level
- Increase skills and qualification levels in the outdoor sector workforce, primarily through the ensuring that the National Academy for Outdoor Sport is located within Cumbria
- Develop and establish the 'Adventure Capital UK' brand in Cumbria.
- Support the development of new outdoor recreation facilities and infrastructure
- Develop innovative ways of increasing the duration of visitor stay, visitor spending, and added value from outdoor activities.
- Capitalise on the opportunities offered by the 2012 London Olympic Games

- Ensure that the whole of the county can share in the growth of the sector, for example encouraging watersports development at the port / marina developments on the west coast

3.1.2 Business support

Providing an effective range of business support products to existing, new, and relocating businesses is recognised as an essential component of successful economic growth. In Cumbria there are a range of business support agencies, both in the public and private sectors, which have delivered a range of successes in past decades, however the sector has for some time experienced a lack of overall co-ordination and strategic approach.

At a national level, the Business Support Simplification Programme (BSSP), provides an unrivalled opportunity to evaluate the current range of business support providers and identify gaps in - and methods of streamlining - current business support provision.

The programme is being taken forward on a regional level by the NWDA, with a comprehensive schedule of consultation with sub-regional and local partners. Within this consultation it is essential to ensure that priorities are identified as essential to the economic growth of Cumbria;

The key priorities are to:

- Ensure that the business needs of Cumbria receive an appropriate level of priority within the sub-region
- Ensure that delivery arrangements are locally-focused, and meets the needs of the many and varied economies within Cumbria

3.1.2 Employment opportunities

Whilst Cumbria has a comparatively low overall rate of economic inactivity, there are distinct pockets of worklessness in some of the urban areas of the west coast, alongside the problem of under-employment in some rural areas, with many households relying on several part-time or lower-paid jobs to earn a living wage. By delivering the strategies for the key business sectors described above, the employment opportunities within the county will naturally be greatly increased, however specific actions are required to ensure that all sectors of the workforce can share in economic growth.

The key priorities are:

- Researching the profile and needs of the workless population in the areas with high concentrations of economic inactivity, particularly the west coast and deprived areas of Carlisle.
- Tackling under-employment in rural areas
- Ensuring that all sectors of the workforce can realise their full potential, by providing a clear path of opportunity, from unemployment through to higher-paid jobs

3.2 Education and Skills

3.2.1 Strategic priorities

As indicated in section 2, ensuring that the Cumbrian workforce has a broad, appropriate level of skills and qualifications that meet the needs of existing and future

business is a fundamental factor in ensuring economic success within the County. There are a number of unique

The key priorities are to;

- Tackle worklessness by strengthening the links between people, jobs and training;
- Reduce the out-migration of young people by providing the opportunity for Higher education within the county.
- Increase the participation of 16-19 year olds in education and/or work based learning, thereby securing increases in level 2 and level 3 attainment and progression into higher education
- Increase the proportion of adults with the skills and qualifications needed for employment, with a focus on Skills for Life and level 2 attainment;
- Support adults to attain qualifications at level 3 and above, with a focus on the skills needs of key business sectors;
- Stimulate employers to invest more in workforce development which meets business needs including innovation, management, leadership and intermediate and higher level technical and professional skills;
- Support and develop all learning providers to respond to the needs of individuals and employers through the delivery of high quality provision.

These priorities will be addressed through the following actions:

3.2.2 Higher Education and the Distributed Learning Network

The University of Cumbria will be a regional University with a significant national presence and international ambition. The core purpose of the new University is to create sustainable HE which is available through campuses and at, or close to, Further Education Colleges throughout Cumbria, offering accessible educational opportunities for all.

The key priorities are to;

- Ensure that the University will be committed to learning which is innovative, flexible, industry relevant and student-centred. In partnership with FE and other education providers, the University will offer courses which meet the needs of;
- Ensure that those completing FE Level 3 qualifications who currently have a lack of progression opportunities to HE Level 1, primarily young people who would otherwise leave the county to seek these opportunities
- Target young people leaving school lacking confidence and aspirations to progress to FE or HE
- Provide opportunities for those people whos FE and HE are hampered by geographical barriers
- Engage adults returning to education after a period of economic inactivity
- Support businesses in key and / or specialist sectors with identified skills gaps, who otherwise would have to go further afield
- Provide for the skills needs of small and medium sized enterprises.
- Engage employers seeking to upskill their workforce in response to new economic demands, organisational requirements or legislative changes.

- Bring in students from across the nation and the world who would welcome the opportunity to study relevant, career-ready courses in an area with the outstanding environment of Cumbria

3.2.3 The Nuclear Skills Programme

The new build Nuclear Academy North West decommissioning training facility, to be based at Lillyhall, Workington, will be a Centre of Excellence specialising in nuclear industry skills. It is a vital initiative to support the retention, transfer and provision of decommissioning skills to address the clean-up at Sellafield. The Nuclear Academy will be the flag ship and independent delivery arm of the National Nuclear Skills Academy.

The key priorities are to;

- Ensure maximum synergy between the Academy and the needs of nuclear sector businesses in Cumbria
- ensuring a broad remit for the facility that complements the aims of Cumbria as Britain's 'energy coast' including renewable energies, hydrogen, environmental research, defence and security amongst other areas

3.2.4 Knowledge Transfer, Research and Development

Cumbria does not perform well in terms of research and development and innovation. Much of the formal R&D in Cumbria is located in a small number of large companies. Whilst there are examples of innovation excellence, it is recognised that Cumbria must improve its innovation performance if it is to increase GVA. A key catalyst for increasing innovation in Cumbrian SMEs will be the processes of knowledge transfer that take place between SMEs, and between SMEs and public bodies.

The key priorities are to:

- Support SMEs in Cumbria and the promote enterprise and innovation to these businesses
- Ensure dissemination of information on funding sources across the county
- Encourage networking between operational KT groups
- Ensure partnership working between key stakeholders and public sector bodies
- Provide specific investment in, and support for industry sectors/clusters.

In addition to the actions described above, which will contribute to meeting the immediate skills needs of businesses, for the long term, by creating quality training provision in which both individuals and their employers are committed to continuous skills development.

3.2.5 Development of a fully integrated skills strategy

The benefits of acquiring higher skills levels are evident at all levels of learning and the returns both to the individual and collectively are measurable and substantive. It can only be achieved by meeting the immediate skills requirements of employers and in the longer term by creating quality training provision in which both individuals and their employers are committed to continuous skills development.

The priority actions are to:

- Increase employer investment in the supply of learning opportunities in Cumbria to ensure the development of businesses and the skills of the workforce
- Work with the Regional Sector Skills and Productivity Alliance through the FE colleges to ensure that the skills needs of each priority sector in Cumbria are covered
- Ensure level 2 and 3 vocational qualifications are meeting local employer needs in particular in retail, financial services, health, logistics and education
- Provide skills training in growth and priority sectors such as biomedical, food and drink, digital and creative even if demand needs to be stimulated

3.2.6 The 14-19 Agenda

The Government is committed to improving the educational attainment of young people by developing a system of 14-19 education that will equip them with the education, knowledge and skills necessary to compete in the global economy and match the best in the world.

The key priorities are to:

- Increase the proportion of 19 year olds achieving at least a level 2 qualification and improve attainment at level 3 year on year
- Increase to 90 per cent the proportion of 16-18 year-olds in high quality education or training by 2015
- Reduce the number of young people who are not in education employment or training (NEET)
- Develop innovative ways of combining elements of academic and vocational learning at all levels
- Develop a universal personalised 13-19 learning entitlement

Cumbria has established a county 14 – 19 Strategic Partnership to provide leadership and direction in driving forward the 14 – 19 reform agenda forward.

3.3 Infrastructure

Relative geographical isolation and poor transport infrastructure have been significant factors in the Cumbrias poor economic performance, slowing the movement of goods, by road, rail and water. The county is perceived as being geographically distant from regional, national and European markets, and this perception restricts inward investment and slows the economic growth of the county. Furthermore poor quality housing in some parts of the county, inadequate business workspace and low grade public realm reinforce the reality of a low growth economy. However the natural beauty of the county, notably the Lake District National Park helps to create a more positive image of the county. Cumbria also has excellent ICT communications such as broadband and this will assist the growth of new businesses particularly in the rural economy.

In order to achieve improvements in infrastructure the following strategic priorities have been developed:

3.3.1 Connectivity – Road, Rail, Air and Sea

In order for Cumbria to become economically competitive, the perception of remoteness and isolation needs to be dispelled. Whilst distances cannot be reduced, services and the standards of infrastructure for all modes of transport need to be improved..

Road and rail communications both to the north and south of the County are good. However road and rail routes from east to west and in particular into Furness and West Cumbria remains inadequate. The County needs direct air services to a London airport and European hub such as Amsterdam. Improved access is also required to the County's seaports to exploit the facilities they offer attract cruise liners and recreational water traffic, and for alternative freight transport, particularly unitised cargos.

The priority actions are to:

- Improve road and rail links between the west coast and the M6 and West Coast Main Line
- Support the development of Carlisle Airport and improve surface access
- Support development of the 'Bridge across the Bay' as a renewable energy and transport project, and promote onward major road improvements from Furness to maximise the benefits of the project.
- Promote the case for national investment to upgrade and secure the future of the Cumbrian Coast Rail Line and the Furness and Lakes branch lines
- Lobby for the continued enhancement of rail passenger services for Cumbria along the West Coast Main Line
- Lobby for improvements to access Cumbria and links to east and south to link in with the Government's Northern Way growth zone
- Develop innovative methods to reduce congestion in urban areas and tourist areas
- Lobby for optimum capital maintenance funding arrangements for the county highway network
- Facilitate surface access to ports for freight, cruise liner and recreational business.

3.3.2 Strategic Employment Sites and Premises

Cumbria requires a range of employment sites and premises in key locations that will meet the needs of modern business supporting a sustainable land and commercial property market encouraging investment and attracting new businesses to the County.

Cumbria has two regionally-significant employment sites, Kingmoor Park in Carlisle and Westlakes Science and Technology Park near Whitehaven. Kingmoor Park provides an example of the potential of public private partnership that is attracting significant private investment as a result of its strategic location close to Carlisle and the national motorway and trunk road network.

The more peripheral parts of the County, particularly in Furness and West Cumbria, are experiencing commercial property market failure, with a recognised oversupply of low quality un-serviced employment sites, which is considered to reduce market demand. Significant public-sector pump-priming is required to secure private sector investment. The emerging West Cumbria Spatial Masterplan advocates the reclassification of low-priority commercial sites for residential development and cross subsidising commercial development on other sites through the receipts received.

There are significant shortages of readily available employment land in south and east Cumbria.

The priority actions are to:

- Develop high quality business parks and employment sites in West Cumbria, to provide modern business accommodation that complements the strategic aim

of attracting inward investment and cluster development in specialised manufacturing and knowledge-based industries.

- Find alternative employment sites in Carlisle to give potential developers and businesses a choice of locations to compete with Kingmoor Park.
- Work with local planning authorities in the central and eastern rural areas of the county to identify and secure suitable business and employment sites that can be released to allow private sector development

3.3.3. Housing

Balanced and growing housing markets are key to Cumbria's economic prosperity. The availability of homes that reflect the needs and aspirations of the economically active throughout the County is crucial.

Through maximising ongoing partnership working, Cumbria Vision will help to ensure that future housing provision in the County aims to meet the housing needs of existing and future communities, maximising future economic growth in Cumbria.

The key priorities are to:

- Lobby at regional and national levels to ensure that the housing needs of Cumbria are recognised, and sufficient funding is secured.
- Secure additional land/buildings for affordable housing and realise opportunities for housing development on brownfield and other sites
- Ensure that planning policies at sub-regional continue to reflect the priority of sustainable economic growth, and maximise housing allocations through influencing the development of Local Development Frameworks and the review of the Regional Spatial Strategies
- Develop a comprehensive evidence base that identifies the role of housing as an economic driver.
- Raise the profile of Cumbria as 'open for business' for housing developers and investors

In West Cumbria and Furness, market failure has occurred and there are significant shortages both of decent affordable homes, and high-end executive properties. The West Cumbria Housing Market Renewal scheme aims to address this failure.

The key priorities are to:

- Secure ongoing funding for the West Cumbria HMR programme
- Increase the number of modern apartments and larger town houses within the cores of our main towns
- Explore the ways in which the terraced housing can be modernized and adapted to meet twentieth century lifestyles and aspirations, and schemes which convert smaller terraces into larger family homes
- Create genuine mixed tenure suburbs with a range of family homes available
- Encourage the building of homes at the very top of the housing market by creating opportunities for self-design and build

For more details of the challenges facing the Cumbrian housing market, please see Appendix 3

3.3.4 Information and Communications Technology (ICT)

ICT has the ability to overcome barriers of distance and time, and therefore the need to exploit ICT and to participate fully in digital commerce is vital in Cumbria. Successful exploitation is dependent upon the success of organisations having appropriate resources and skills.

The Regional Economic Strategy places ICT at the centre of regeneration, both in terms of infrastructure and the exploitation of opportunity through software applications and digital content, as well as the parallel development of digital skills. The successful NWDA investment in Project Access has enabled Cumbria to operate and compete effectively with other areas of the UK, and broadband take up in the county is now greater than the national average and as such has reduced the 'digital divide' in terms of connectivity, but there are still unrealised opportunities in the field,

The key priorities are to:

- Develop an integrated programme of activity will be developed to support businesses, social enterprise and the voluntary sector to exploit ICT advantages.
- Take full advantage of the Regional product portfolio
- Further develop workforce skills to take advantage of the opportunities for e-procurement
- Link ICT skills development to workplace opportunities

3.4. A Rural Economy

Over 60% of the Cumbria is classified as Rural, and as described above, rural areas face severe problems of housing affordability; access to services is becoming a critical problem, with the loss of local services on an unprecedented scale, and demographic changes will place increasing demand on public services in the future. In addition, those elements that attract so many visitors to the County contribute to the problems we face. There are significant issues relating to agriculture and conservation coupled to the maintenance and preservation of the landscape.

It is no longer possible to view the rural economy in Cumbria simply as that related to agriculture or tourism. Cumbria's rural economy is made up of a diverse range of businesses, some in land based industries, others developing innovative new knowledge based or small-scale manufacturing activities, but with the majority employing less than five people. Supporting the development of the rural economy in Cumbria will require high-quality business support focusing on innovation and high growth, outreach services delivered in a flexible way to dispersed businesses or communities and the development of new sectors and markets linked to high value added activities.

The key priorities are to:

- Promote sustainable rural communities
- Support initiatives that address predicted demographic changes within rural communities and the potential decline in the economically active

- Actively promote solutions that meet rural housing demand
- Maximise the impact of the Rural Development Programme for England with complimentary activities and funding, and provide support for primary agriculture, and initiate responses to CAP reform, land use management and cultural landscape management
- Provide quality business support that encourages enterprise, diversification, innovation and business survivability
- Support solutions that address the problems of access to services
- Address the skills needs of all rural businesses to overcome geographic isolation
- Support key service centres as hubs for wider community engagement and regeneration
- Work with tourism partners to develop a high quality sustainable tourism offering .

3.5 Quality of Life

3.5.1 Strategic priorities

Quality of life is one of the essential strengths of the County, both in attracting business but also in ensuring a happy, healthy workforce, however there are a number of ongoing actions required to ensure that life in Cumbria continues to be as high-quality as anywhere in the UK.

The key priorities are to :

- Preserve and enhance the natural environment
- Preserve and develop the unique cultural identity of the county
- Ensure improvement to public services – health, education and local authority services and to strengthen the role of the 3rd sector in service delivery.
- Improve the built environment and the public realm to internationally recognised standards
- Promote Cumbria as a place of equality and diversity

3.5.2 Natural Environment

Cumbria's natural environment is unique and makes a major contribution to regional character. The rural landscapes and coastal ecosystems are a rich inheritance. Cumbria has a diverse and significant natural environment with a number of nationally and internationally important sites. This landscape and biodiversity underpins much of the tourism activity in the county and land management schemes in the county contribute some £15m in direct payments to farmers and land managers. The key requirement is to secure a healthy natural environment through encouraging and supporting sustainable use of the landscape.

The key priorities are to:

- Support individuals, organisations, land managers and businesses to take action to conserve and enhance the natural environment.

- Develop and promote sustainable solutions to environmental problems and as a result increase the social and economic value provided by the natural environment.
- Increase the opportunities for people to make the natural environment an enriching part of their every day lives.
- Ensure the ongoing maintenance of water quality and biodiversity

3.5.3 Culture

Culture plays a crucial role in our lives; regenerating communities, bringing people together, making our lives more enjoyable, and attracting visitors to the area. It makes a significant contribution to the Cumbrian economy and complements and adds value to Cumbria's world class landscape and heritage. However the sector is limited however by the lack of strategic and joint marketing; a lack of critical mass; poor cultural cluster development; and whilst there are cultural gems such as Theatre by the Lake, the Wordsworth Trust, Blackwell House and the significant ownership of the National Trust there is no overall coordination to strengthen association and build awareness of the sector's quality, range and distinctiveness. In addition to the actions described under section 3.1.1 The actions for culture will focus on these issues and develop initiatives in partnership with other key agencies .

The key priorities are to:

- Ensure culture is fully integrated into the county's tourism, regeneration and economic strategies, working in partnership with the Cultural and Creative Industries sector
- Maximise the development of indigenous cultural and creative business and develop in partnership with the University of Cumbria strategies to grow and retain creative talent in the county

3.5.4 Health, Education and Other Public Services

The three categories of employment that broadly describe 'the public sector' - health, education and public administration, - together account for an estimated 24% of all employment in Cumbria, equivalent to almost 52,000 employee jobs. Despite this, Cumbria has a lower proportion of employee jobs in the public sector compared to the North West overall [27.3%] and England [26.4%], and many similar rural areas such as Cornwall and Lincolnshire. These figures do not include the voluntary and community sector, who make up almost 10% of the Cumbrian workforce

The strategy for the public sector needs to encompass opportunities for new investment and employment and also advocacy to challenge any further losses of public sector capacity or employment in Cumbria. Opportunities arise, firstly through the development of the University of Cumbria and investment in the education sector generally and secondly, from opportunities to promote Cumbria as an option for the relocation of public services into the regions.

The key priorities are to:

- development of the health and education sector in Cumbria to increase the number of higher-value jobs in the county, and to capture the social, economic,

cultural, community and business benefits arising from the expansion of the sector

- build on the presence of the University of Cumbria with its current training provision of education and health professionals to develop other specialist public sector service provision
- Maximise the economic contribution offered by the Voluntary and Community Sector in public sector service delivery
- Identify opportunities , and lobby for, increased presence of public sector organisations through decentralization of public services.

3.5.5 The Built Environment

A successful town is one where people choose to live and work; where businesses feel they will be successful due to a vibrant economy; where entrepreneurship and employment is encouraged and supported at all levels; where personal and leisure time is enjoyable and pleasant. To achieve these aims, the townscape needs to look attractive and feel safe. Visitor research commissioned by Cumbria Tourism has highlighted growing concerns about the state of the public realm in many parts of the County. The research sited a lack of investment in upgrading facilities and pared budgets for their ongoing maintenance has led to the closure of public toilets, unattractive and expensive car parks, pot-holed roads and footways, poor signposting and a generally deteriorating street scene. Successful remediation of these issues can lead to the delivery of economic benefits – primarily through increased visitor spend – and an overall improvement in quality of life.

The key priorities are to;

- Improve the amenity value of key settlements by addressing issues of the quality of the Public realm, local services and accessibility
- Ensuring all key settlements develop intergrated traffic systems that are accessible by pedestrians, public transport users and car users alike

SECTION FOUR: DELIVERING THE STRATEGY

4.1 PLANS AND PROJECTS

The Strategy as described in the previous section will by and large be delivered through spatially defined area based plans that will collectively develop the infrastructure and the sectoral opportunities in key areas as well as the development of a limited number of key transformational flagship projects. These area based plans and key flagship projects provide major opportunities to contribute to sustainable economic growth, promote Cumbria internationally and achieve major social and environmental outcomes. The relationship between the key economic drivers and cross cutting themes and the area based plans and flagship projects are shown in the table below:

Table 4.1: Linkages between Economic Drivers and Area Based Plans

	Business, Enterprise Employment	Education Skills	Infrastructure	Rural Economy	Quality of Life
Area Based Plans					
The Waterfront Barrow-in-Furness	√√√		√√√		√√√
A Masterplan for West Cumbria – The Energy Coast	√√√	√√√	√√		
Carlisle Renaissance	√√	√√	√√√	✓	√
Rural Renaissance	√√	√√√	√	√√√	√√
Flagship Projects					
Derwent Forest	√√√		√√		√√
Lowther Castle	√	√√		√√√	√
Carlisle Airport	√√√		√√√		
University of Cumbria	√√	√√√		✓	√

4.2 Area-based plans

4.2.1 The Waterfront, Barrow in Furness

Key to the current regeneration proposals for Barrow in Furness is the development of a 400 acre site 'The Waterfront at Barrow-in-Furness'. Development will commence on the £200m scheme in 2007 and over the next ten years the following developments will be undertaken, predominantly by the private sector:

- The Waterfront Business Park is a £20m development of a 60 acre business park which will provide development eventually creating approximately 1,500 new job opportunities in the targeted employment growth sectors. A start on site will be made in 2007.
- The Marina Village will provide a £120 million private sector investment opportunity to create a diverse new community of about 650 new homes, hotel, restaurants, retail outlets, water sports centre and other sporting facilities as well as a 350 berth marina and facilities.
- A cruise liner terminal providing berthing opportunities for the expanding cruise liner market.

4.2.2 A Masterplan for West Cumbria – The Energy Coast

West Cumbria, working in partnership with national government has the potential to deliver the critical elements of a national energy strategy that meets the imperatives of climate change and securing the nation's energy supply. In doing so, and building on its nuclear expertise, West Cumbria can become one of Britain's fastest growing sub regional economies, transforming the area and providing net growth to the UK economy. By 2027 West Cumbria will be a confident place that prides itself on its strong economy, providing opportunities for all and offering a lifestyle of choice. It 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.
- be a strong, diversified and well connected economy, with a growing, highly skilled population with high employment.
- project a positive image to the world, and be recognised by all as an area of scientific excellence, outstanding natural beauty and vibrant lifestyle which attracts a diverse population and visitor profile.
- provide opportunities for all its communities, where geography is not a barrier to achievement and where deprivation, inequality and social immobility have been reduced.

4.2.3 Carlisle Renaissance

In the aftermath of the floods in January 2005 Carlisle Renaissance was launched. It set out a vision for how Carlisle would look and feel in ten years time. The strategic objectives are to:

- Establish Carlisle as a Learning City geared towards meeting the future needs of the economy, where educational attainment is consistently improved, with an expanded higher education sector and a focus on fostering.

- Strengthen the City's economic base by stimulating investment in higher value added business, new business creation and establishing sustainable growth clusters.
- Maximise the potential of Carlisle as a major destination for leisure and business tourism with high quality tourism infrastructure and a range of cultural and leisure activities which build on the city's unique heritage, environment qualities and geographic location.
- Create sustainable communities that are part of Carlisle's renaissance, capable of accessing new opportunities in education, training and employment and able to secure tangible improvements in local housing, health, sport and other services
- Expand the City Centre, orientating it to the south and west, introduce new high quality mixed-use development with improved public realm and create a vibrant waterfront environment
- Improve movement into and around the city for all modes of transport and promote sustainable development that reduces dependence upon car travel

4.2.4 Rural Regeneration Programme

The rural areas of Cumbria have significant challenges. Following on from the five year £40 million Cumbria Rural Action Zone Programme initially delivered by Rural Regeneration Cumbria, there is a need to agree a new development programme for rural Cumbria from 2008 onwards which will address the following four priority issues:

- Develop market towns and other key service centres as growth poles for rural regeneration.
- Support the development of a diverse and sustainable agricultural sector
- Support the development of new and existing businesses in rural areas
- Encourage the growth of tourism and activities in the non-agricultural land-based economy

4.3 Flagship projects

4.3.1 Derwent Forest

The former Royal Naval Armaments Depot at Broughton Moor is, at 425 hectares (1050 acres), the largest derelict site in the North West. Its use as a Royal Navy Armaments Depot ceased in 1992, since when the site has been redundant. Despite intensive former industrial uses the site contains flora and fauna largely undisturbed for over 60 years and benefits from a uniquely beautiful outlook and special 'sense of place'. It is seen by the partners as a key priority with 'flagship' potential, offering an exceptional opportunity to deliver real benefit to the West Cumbrian economy and to the people who live in and visit the area. However a number of significant development constraints currently burden the site and a £10 million remediation programme will be required before development can commence.

The vision for the Derwent Forest project is to enhance and exploit its unique environmental character and create 'A prestigious leisure and commercial destination in the Western Lakes that provides an outstanding natural setting from which to demonstrate the unique work/lifestyle opportunities that West Cumbria has to offer the world'.

The project's aims are to deliver a sub-regional regeneration opportunity that:

- becomes a sustainable development flagship project capable of delivering real benefit to the West Cumbrian economy; and
- raises the area's profile regionally, nationally and internationally.

4.3.2 Lowther Castle and Gardens

Lowther Castle represents a thousand years of history and lies at the heart of the landscape that inspired Wordsworth, Turner and Ruskin. Over the last fifty years the Grade II* castle has fallen into ruin. This transformational project aims to restore 500 acres of historic parkland, including the complete conservation of the castle ruins, restoration of the gardens, and the building of contemporary cultural and creative facilities.

The £100 million scheme will eventually attract 750,000 visitors per year, making it a major UK visitor destination. The visitor to Lowther Castle and Gardens will have access to the restored castle ruin, which will include a viewing platform in the castle tower offering 360 degree vistas of the Eden valley and the fells of the Lake District. Each visitor will be able to explore the lost gardens recreated by the Chelsea award winning designer Dan Pearson, and together with his new creations there will be over 130 acres of gardens brought to life as a space for people to enjoy, a place where art meets landscape and the past can be relieved. Visitors will enjoy a new 30,000 sq ft visual art gallery and exhibition space hoisting a combination of contemporary work and retrospective shows. There will be a new 1,500 seat outdoor amphitheatre for music and drama as well as facilities and space to the front and rear of the castle façade for performances. A free visitor centre will offer high quality retail, exhibition space, cafes, restaurants and learning environments.

4.3.3 Carlisle Airport

In May 2006, W A Developments acquired Carlisle Airport and are developing plans to undertake a £25 million scheme which would see the development of the airport by Stobart Air Ltd to enable both passenger and freight air traffic. This will involve the construction of a new runway and new airport facilities at the southern side of the site, with direct access onto the A689 which provides a direct link to Junction 44 of the M6 and to the A69 and Newcastle.

Adjacent to the new terminal buildings will be a prestigious new corporate headquarters for W A Developments and Eddie Stobart Ltd as well as other associated businesses such as hotel and conference centre. W A Developments is currently undertaking site and environmental assessments and anticipate submitting a full planning application for the development of the Airport in Autumn 2007. The airport will need to be fully operational by Spring 2009 otherwise W A Developments and Eddie Stobart Ltd are likely to relocate their corporate headquarters to Preston.

4.3.4 The University of Cumbria

The University of Cumbria was formed in August 2007, and is a regional university with a national presence and international activity. It is built on the strength of its founding institutions - St Martin's College, Cumbria Institute of the Arts, and the Cumbrian campuses of the University of Central Lancashire - with the clear aim and focus of providing sustainable higher education to enable educational opportunities for all who can benefit. It is committed to developing graduates who are creative, enterprising and resourceful, and equipped to lead in their fields and in their communities. The University will also be a significant provider of further education in Cumbria.

The University of Cumbria is a widely distributed institution with four main campuses, in Carlisle, Penrith, Ambleside and Lancaster, and satellite posts in Whitehaven, Barrow and London. It recognises its responsibilities to the region, and in particular the contribution it makes as an educator, an employer, and as a partner in the social and economic regeneration of Cumbria. Through this, it plays a role in the development of sustainable communities, particularly of the relatively isolated communities on the county's west coast.

The University of Cumbria will be much more than a regional institution. It is the largest provider of initial teacher training in the country and has considerable expertise and experience of delivering health-related programmes to health-care professionals across the UK. Moreover, the specialised nature of its art, design and media courses attract both national and international attention, and form a sound base from which to develop further into these markets. Over the life of this Plan, the University will seek to develop a broader and deeper portfolio in these and other areas, most notably in sciences, technology and engineering.

A central feature of the University is the importance of working closely with a range of collaborating public and private partners, and gaining a detailed understanding of their particular operational context and agendas. As lead organisation of Cumbria Higher Learning, a Lifelong Learning Network for Cumbria, the University works with other HEIs and with the four FECs in Cumbria. Of particular importance, because of its significance in relation to supporting economic enterprise in the county, is the development of sustainable and mutually beneficial engagements with employers.

This University will make a transformational impact within Cumbria and the wider region and will establish itself as both an employer of choice and the institution of choice for students from across the country. The University will continue to build on the strong tradition of its founding institutions in its commitment to outstanding student development in a supportive learning environment, wherever its students may live, study and work.

4.4 FUNDING PROGRAMMES AND STRATEGIES

The implementation of this Strategy not only needs to influence public sector expenditure in Cumbria, but it must also ensure that substantially more private sector expenditure is attracted into Cumbria. Private sector investment is essential to ensure sustained economic growth, sustainable development and ensuring that poverty and deprivation are dramatically reduced. Private sector investment increases the productive capacity of a local sub regional economy, drives job creation, brings innovation and boosts gross income growth. It must be recognised that, as Cumbria has been to slowest growing sub region in the UK since the mid 1990s, the amount of inward investment and private sector investment has been relatively low as a result of the long standing structural weaknesses in the county's economy, therefore it must be accepted that Cumbria will have enormous difficulty in turning this around and ensuring that above average levels of private sector finance start flowing into Cumbria.

Despite this 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, Port Derwent at Workington and in the centre of Carlisle as a result of the Carlisle Renaissance programme.

An inevitable consequence of any Cumbria Economic Strategy must be to reduce the dependency on public sector funding to create economy regeneration and to increase the amount of private sector investment in the overall proportion of total expenditure.

Even so the majority of programmes and projects concerned with economic regeneration use a mixture of both public and private sector finance to deliver their schemes.

It is anticipated that approximately £80 million per annum will be provided through the NWDA for economic regeneration in Cumbria, through the programme of transformational programmes and projects listed in the Cumbria Sub Regional Action Plan (SRAP).

The new European Structural Funds Programme - The North West Competitiveness Operational Programme 2007 – 2013 is worth £524m over the seven years and the NWDA who will manage the programme have stated their intention to devolve some of the management and delivery responsibilities to sub regional partnerships such as Cumbria Vision. It is anticipated that between £30 and £50 million of funding will be made available to Cumbria over the seven year period and to maximise the benefit is should look to match some of the NWDA expenditure on transformational projects which require significant "gap funding" to come to fruition.

4.5 PARTNERSHIP WORKING

This Strategy will only be delivered by a partnership approach to implementation involving the public, private and voluntary sectors. The difficulty of achieving genuine partnership working has to be acknowledged and acted upon. The level of participation by and engagement with the private sector is an ongoing difficulty, but this engagement is critical to any successful economic regeneration strategy for Cumbria. Cumbria Vision is able to play a pivotal role in helping to ensure the full engagement of the private sector in the regeneration process.

Cumbria Vision

Cumbria Vision exists to provide strategic leadership, policy development and oversee the implementation of the Cumbria Economic Plan. Cumbria Vision will provide an effective voice for Cumbria on economic development issues and will seek to influence regional and national policy to reflect the priorities of the Cumbria Strategic Partnership. The Cumbria Vision structure is designed to meet the capacity gap evident in Cumbria and to compliment the work of its partners including Cumbria County Council as accountable body and NWDA. Cumbria Vision will not duplicate any work undertaken by its partners. The work of these functional areas can be summarised as follows:-

Strategy

- work in partnership with all appropriate agencies, organisations and the private sector to agree the Cumbrian Economic Plan.
- ensure that the Cumbria Economic Plan is aligned with all relevant strategies and policies at a European, National, Regional and Sub-Regional level
- review and refresh the Cumbria Economic Plan each year to ensure consistent three year economic vision and business planning
- develop a strong in-house intelligence to ensure that all investments and economic priorities are future-proofed
- through the provision of a strong economic evidence base in the Cumbria Economic Plan, help inform and direct the strategic investment decisions of key partners

- provide strategic leadership and input into all relevant strategies and policies at sub-regional, regional, national and european levels.

Performance

- undertaking risk based monitoring, support and assessment of delivery partners
- identifying gaps and weaknesses in delivery capacity and agree and put in place measures to address these
- commission delivery programmes in conjunction with funders to address identified areas of market failure or market opportunity within the Cumbria Economic Plan
- deliver legacy programmes transferred into Cumbria Vision
- work with partners to progress projects from pre-concept to investment decision