

REPORT TO EXECUTIVE

PORTFOLIO AREA: Economic Development and Enterprise

Date of Meeting: **28th August 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.78/07**

Summary:

A consultation draft of the Cumbria Economic Plan has been produced by Cumbria Vision. The second consultation draft was considered by Infrastructure O&S on 2nd August 2007 and their observations are attached. An amended consultation draft has now been issued and is attached to this report.

Recommendations:

That the comments in the attached report and the observations of O&S be forwarded to Cumbria Vision and any further comments arising from the draft dated 7th August be agreed with the Portfolio Holder and the Leader.

Contact Officer: **David Beaty**

Ext: **7120**

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

Note for Infrastructure Overview and Scrutiny Committee August 2nd on the Consultation Draft of the Cumbria Economic Plan July 07

1 Introduction

1.1 Cumbria Vision Ltd [CV] is charged with the implementation of the Economic elements of the Cumbria Strategic Partnership sub regional strategy. The company has three roles; to -

- develop and maintain effective working relationships with both strategic and delivery partners.
- head the production of the County's economic strategy and plan with all relevant partners.
- prioritise the North West Regional Development Agency public sector investment programme.

1.2 In pursuit of the second of these roles it has produced a draft of an Economic Plan for Cumbria which is now out for consultation. Comments are invited up to the end of August.

2 What is being commented on?

2.1 There have been several drafts of the Economic Plan. The latest version is that dated July 20th posted on the Cumbria Vision web-site¹. The Action Plans and indicative budget figures for the delivery of the various elements of the Plan are also available on the web site. The draft Economic Plan has previously been circulated as a paper copy but the Action Plans have not. These are summarised later in this report

2.2 This note sets out the comments made by officers to the first draft then goes on to add further comments for Member's consideration, including detail on the Action Plans

¹ [<http://www.cumbriavision.co.uk> – click on the link to the Economic Plan].

3 Comment on the First Draft

3.1 Following a presentation to CEDOG, [Cumbria Economic Development Officers' Group] in June, officers made some initial comments on the then draft. These are to be found – along with other comments from Cumbria districts and other bodies on the Cumbria Vision web-site. At this stage the Action plans were not available

3.2 For ease of reference the comments on the first draft are reproduced below. Please note the page numbers do not correspond with the current draft. Where Cumbria Vision [CV] has responded to these comments [these are also on the web-site] this is shown in ***bold italic*** in the table below.

3.3 *The following detailed comments are based on the draft of June 28th*

Section & pages	Title	Comments
pp 3 – 6 Exec Summary		➤ No comment
1 – page 7	Introduction	➤ Purpose of the plan needs to be set out more clearly. <i>[CV - no comment]</i>
2 – pp 8 - 12	Cumbria Today	➤ Statistical overview supported by 4 detailed appendices - not circulated but available on request.
3 – pp 13 -16	Key Challenges	<ul style="list-style-type: none"> ➤ Although there is a acknowledgement of Cumbria's poor representation in Business services, this is not seen as a key challenge <i>[CV – no comment]</i> ➤ There is no reference to economic implications of population change and ageing. <i>[CV - no comment]</i> ➤ There is also no linkage to spatial policy. This is a major omission.<i>[CV – no comment]</i> ➤ The reference to the ICT network acknowledges excellent coverage but the challenge is still to develop the network. The challenge should be about business exploitation of the infrastructure.<i>[CV - no comment]</i> ➤ There should be a reference to investment in the public realm in the key challenges in the 'Quality of Life' section. [This is however picked up in the Strategy section]

<p>4– pp 15 - 30</p>	<p>The Strategy</p>	<ul style="list-style-type: none"> ➤ The Strategy contains over 80 ‘actions’ on thematic issues, plus area based plans and ‘flagship’ projects. [CV comment - Noted] ➤ There are 3 strategic priorities for Business, Enterprise and Employment including a wish to see ‘significant numbers of new jobs’ with no reference to the quality of those jobs. ➤ The section on Tourism refers to ‘market development’ in ‘outlying’ areas of the County. This phrase is not helpful in relation to the potential of Carlisle and Hadrian’s Wall for example. The need for resources for promotion and market development should be acknowledged.[CV comment – under consideration] ➤ The perception of remoteness is acknowledged in the infrastructure section – but not in relation to Tourism – see above.[CV comment - noted] ➤ The section on housing contains a useful reference to the opportunities in the Regional Spatial Strategy ➤ In the section on Natural Environment there is a passing reference to Climate Change mitigation and adaptation. This is not given sufficient prominence or weight.[CV comment – under consideration] ➤
<p>5 – pp 28 - 31</p>	<p>Delivering the Strategy</p>	<ul style="list-style-type: none"> ➤ Delivery ‘by and large’ through spatially defined area based plans. ➤ Overall the emerging Economic Strategy for Carlisle and the Cumbria Plan are generally aligned, but at present , because the Cumbria Plan has no spatial dimension, it does not contain any reference to Carlisle’s sub-regional role, its potential to attract private investment, or the contribution it could make to the economic development of the County. A re-drafted section on Carlisle Renaissance is needed. [CV comment - Done] ➤ Of the flagship projects, the development proposed at Lowther, particularly the cultural and performance elements, could impact on the viability of Carlisle’ cultural offer.[CV comment – noted]

4 Comments on the Current draft of July 20th

<i>Section & pages</i>	<i>Title</i>	<i>Comments</i>
	Introduction	Not available
Section One pages 3-8	The Strategy	Links with Spatial strategy still needed
Section Two Pages 9-15	Key Challenges and Opportunities	This is a comprehensive list of opportunities and visionary statements that is difficult to challenge but the section offers no clues about how these are to be prioritised.
Section 3 Pages 16-29	The Strategy	<p>Priorities are addressed in this section but there are 128 of them. There is no guide about how these are translated into funding allocations in the Action Plan.</p> <ul style="list-style-type: none"> ➤ Business Services are now prioritised in this draft - which is important for Carlisle. ➤ Under Tourism there is a reference to the development of an 'Cumbrian Brand'. While subscribing to the concept of a hierarchy of brands, there is no acknowledgement that there is any case for exploring the potential for Carlisle and Hadrian's Wall to become an 'Attack Brand' within the scope of the NWDA Tourism strategy. ➤ The Strategy seeks to 'develop and support' new, diverse Tourism activities. There should be a reference to the need to realise the potential of the assets that Cumbria already has [e.g Carlisle Castle]. ➤ The section Business Services and Support should acknowledge the need to develop and support business networks within Cumbria ➤ The section on employment opportunities refers to 'researching the profile and needs of the workless population'. There is no commitment to action. ➤ The section on Connectivity should, in the action on the West Coast Main Line, include a reference to the need to sustain local commuting services, which may be at risk as line utilisation increases.

<i>Section & pages</i>	<i>Title</i>	<i>Comments</i>
		<ul style="list-style-type: none"> ➤ The reference, in the section on Employment sites and premises, to the need for a choice of alternatives employment sites to Kingmoor Park is welcomed. ➤ The section on Housing includes a reference to the need to 'increase the number of modern apartments' in our main towns. The market in Carlisle is not in need of further development of this kind, although this may be the case elsewhere in Cumbria. It is questionable whether this level of detail on Housing is appropriate in the Plan.
Section 4 Pages 30-36	Plans and Projects	<ul style="list-style-type: none"> ➤ A linkage between Carlisle Renaissance and the Rural Economy is needed in the table on page 30 ➤ The section on Carlisle Renaissance will be reviewed and updated as necessary. ➤ The sub-regional impact on visitor profiles and use of cultural facilities needs to be assessed on the Lowther Project

5 The Action Plans

5.1 The Action Plans consist of a series of tables showing committed and new funding for each of the themes in the Plan. These are;

- Business, Employment and Enterprise
- Education and Skills
- Infrastructure
- Cross Cutting.

Theme	Current funding allocation [£000's] 2008/11	New funding sought [£000's] 2008/11
Business, Employment and Enterprise	13.668	21.571
Education and skills	25.7	12.350
Infrastructure	2.339	5.345
Cross-cutting ²	59.121	52.533
Total	100.827	91.799

² See individual table - but includes spatial plans [Carlisle Renaissance etc] rural initiatives, cultural and land reclamation programmes

PART ONE: EXECUTIVE SUMMARY



1. Cumbria - The Lake District: Brains and Beauty

Cumbria is the most beautiful and unique county in England. There is no better place to live and work. - Home to The Lake District, flanked by the Pennines and mile-upon-mile of stunning coastline, nowhere else in England boasts such a rich variety of inspirational and exhilarating landscapes. Cumbria also possesses the brains to match this beauty and has proudly positioned itself as a world-leader in the maritime, engineering, and nuclear industries.

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

Cumbria Vision's ultimate aim is to make the County's economy as attractive to businesses and investors as its landscape is to the millions of visitors from around the world who flock here each year. This is a huge challenge for a sparsely populated county that has some of the most isolated and deprived communities in the UK.

We are building on the County's proud identity and grasping the opportunities to create a strong, sustainable and prosperous economy that will ensure we have the perfect package of brains and beauty well into the future.

Cumbria Today – The Challenges

- **Slowest growing UK economy in England 1995-2005**
- **Average earnings more than £2,000 below UK**
- **Low levels of higher skills**
- **Around 2000 (net) 19-34 year olds leaving the County each year**
- **House building in most areas is far below demand**
- **In only 23 out of 118 wards is an average house affordable**
- **'Real' unemployment in some words is among the worst in the country**
- **Pockets of extreme worklessness in urban areas and underemployment in rural areas**

Meeting the

challenges – The Strategy for Cumbria

To achieve our vision for Cumbria, we need a two-pronged approach - capitalizing on the many existing strengths of the county, and by encouraging growth in areas with growth potential where we are underperforming. The following tables list the areas where we can derive maximum benefit, centred on the 3 key themes of *Business, Education, and Infrastructure*. Underlying these priorities are 4 cross-cutting themes. It is these priorities and themes that are the key to future economic success.

STRATEGIC PRIORITIES

1. Business, Enterprise & Employment
<ul style="list-style-type: none"> ▪ Business development - Key Sectors <ul style="list-style-type: none"> • Nuclear, energy and environmental technologies • Specialist Manufacturing • Tourism • Food and Drink • Digital, Cultural and Creative industries • Outdoor Sport, Education and Recreation
<ul style="list-style-type: none"> ▪ Business services and support – Key sectors Developing Business services and business support infrastructure
<ul style="list-style-type: none"> ▪ Employment Reducing pockets of worklessness, tackling rural under-employment and increasing access to higher-paid jobs

3. Infrastructure
<ul style="list-style-type: none"> ▪ Connectivity Road, Rail, Air and Sea
<ul style="list-style-type: none"> ▪ Strategic Employment Sites and Premises Increasing supply of appropriate land and premises to attract new business
<ul style="list-style-type: none"> ▪ Information Communications Technology Develop ICT provision and skills to keep pace with technological change
<ul style="list-style-type: none"> ▪ Housing Increase supply of appropriate and affordable housing to meet current and future demand
<ul style="list-style-type: none"> ▪ Improving the built environment Address public realm, accessibility and traffic issues in Key Settlements

2. Education and Skills
<ul style="list-style-type: none"> ▪ Higher Education and the Distributed Learning Network Developing FE and HE access for everyone in Cumbria
<ul style="list-style-type: none"> ▪ The Nuclear Skills Programme Delivery of the National Nuclear Skills Academy
<ul style="list-style-type: none"> ▪ Knowledge transfer, research and development Developing KT, R&D across the county
<ul style="list-style-type: none"> ▪ An Integrated Skills Strategy Provide a clear path of education and training opportunity for all levels of the workforce.
<ul style="list-style-type: none"> ▪ The 14-19 Agenda Delivery through the County 14-19 Strategic Partnership

4. Cross-cutting themes
The Rural Economy
The Natural Environment
Culture
Health, Education, Public Services and the Third sector

Delivering the Strategy

The time has come for change in Cumbria – and with the scale of the challenges that the county faces, the change must be great in scale and effect. The focus for the county must shift from small-scale, fragmented interventions that arise as responses to local problems: Strategic, transformational projects are required to make a sustained impact on the economic well-being of the county. The maps below illustrate the major spatial and transformational projects that will begin the delivery of this strategy.

PROJECTS

Carlisle Airport



Carlisle Renaissance



Lowther Castle & Gardens



Derwent Forest



Rural Action



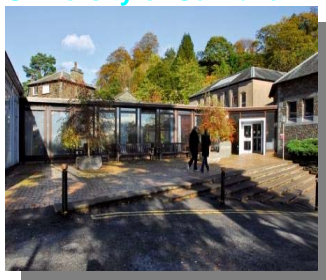
West Cumbria Spatial Masterplan



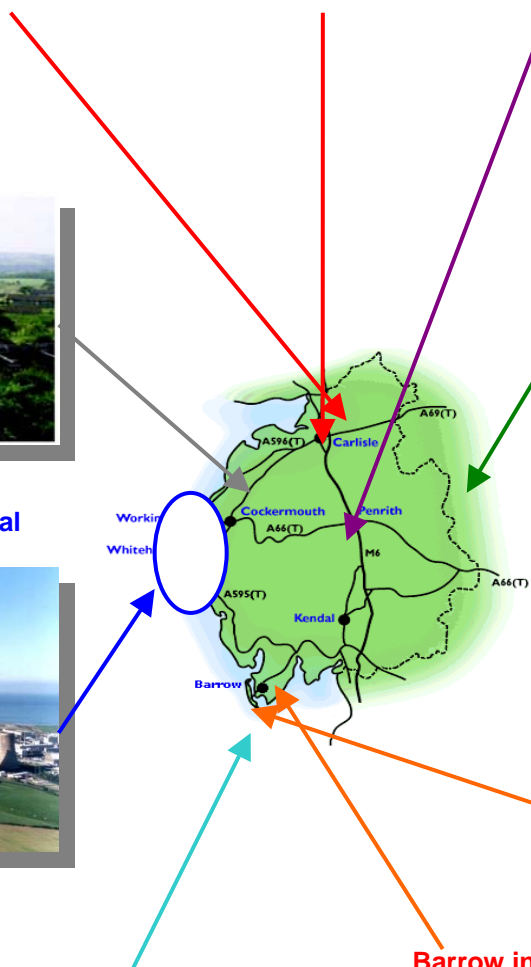
The Waterfront Barrow-in-Furness



University of Cumbria



Barrow in Furness Regeneration Action Plan





5. Strategy and Partnership

The key element to the success of this Strategy will be to develop the delivery capacity of organisations within Cumbria. There are currently over 90 publicly-funded organisations in Cumbria involved in regeneration, all operating with separate infrastructures, and in many cases duplicating activities with one or more other bodies. In many cases these organisations lack the critical mass, expertise and continuity of funding to deliver transformational projects. A fundamental first step in delivering the Economic Plan will be to review delivery structures within the County and identify opportunities for development of organisations that can meet the demands of major projects.

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 ensure economic growth in the County.

This Economic Plan sets out the strategy for ensuring that by 2020 we can achieve our vision of 'a sustainable economy, positively positioned in the global economy'. This Strategy will only be delivered by a partnership approach to implementation involving the public, private and Third sectors

This is not Cumbria Vision's Economic Plan; **it is the Economic Plan for Cumbria, and it is endorsed by the Executive membership of the Cumbria Strategic Partnership**

Allerdale Borough Council	Cumbria Youth Offending Service
Arts Council North West	Eden District Council
Borough of Barrow-in-Furness	Eden Homes
Business Link	Eden Local Strategic Partnership
Carlisle City Council	English Nature
CBI North West	Environment Agency
Churches Together in Cumbria	Furness Partnership
Connexions Cumbria	
Healthy Communities and Older People Thematic Partnership	
Copeland Borough Council	Innovia Films
Culture Cumbria	Invest in Cumbria
Cumbria Association of Councils for Voluntary Service	
Job Centre Plus	Cumbria Association of Local Councils
Kendal College	Cumbria Community Foundation
Cumbria Chamber of Commerce and Industry	National Farmers Union
Lake District National Park Authority	National Probation Service
Learning and Skills Council	Pirelli Tyres Ltd
Cumbria Constabulary	Cumbria County Council
Safer and Stronger Communities Partnership	Cumbria Fire and Rescue Service
Cumbria Local Enterprise Agency Network	
Cumbria Primary Care NHS Trust	South Lakeland District Council
Cumbria Rural Enterprise Agency	South Lakeland Strategic Partnership
Cumbria Sport	Sport England North-West
Cumbria Strategic Partnership	Sure Start
Cumbria Sub-Regional Housing Group	The National Trust
Cumbria Tourist Board	University Of Cumbria
Cumbria Vision	West Cumbria Strategic Partnership

CUMBRIA ECONOMIC PLAN

Third Consultation Draft

7th August 2007

cumbriavision

Supported by



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PART TWO: CUMBRIA TODAY

SECTION ONE: Cumbria – a county of contrasts and challenges

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, naval shipbuilding and specialist engineering. WE also have some of the most deprived wards in Europe. A dissipating and ageing population, and Gross Added Value (GVA) almost 25% below the national average

Some 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.

SECTION 2: Current state of the Cumbrian 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 One, Two and Four

Table 2.1: 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%	0.2%
Population density (Hectares per person)	0.73	0.20	0.24
% Population in rural areas	51.6%	12.1%	20.3%
Average house prices (2007)	£138,999	£134,084	£180,594

Table 2.2: Overview of Cumbrian districts

	Allerdale	Barrow	Carlisle	Copeland	Eden	S.Lakes
Area (Hectares / Sq Miles)	125,780 / 486	7,796 / 29.9	104,010 / 402	73,761 / 284.9	215,645 / 833	155,361 / 600
Population	96,300	70,100	105,200	71,500	52,800	102,900
Population growth 1991-2004 (approx)	-800	-2,800	2,200	-900	6,200	4,600
Population density (Hectares per person)	1.4	0.11	1.0	1.0	5	1.6
% of population of working age	60	60	62	62	60	63
Economic Activity Rate	75.7	76.5	79.5	78.9	86.0	82.6
JSA Claimant rate	1.8%	2.6%	1.7%	2.3%	0.5%	0.6%
'Real' Unemployment rate	6.8%	13.4%	6.1%	9.0%	2.7%	3.4%
Incapacity Benefit Rate (Working Age)	8.2%	13.5	7.7%	9.4%	4.7%	4.8%
Median FT annual income (£)	22,546	20,948	21,388	27,713	20,730	23,731
Average house prices (2005)	£135,902	£93,802	£125,789	£106,022	£185,764	£209,358
Principal Industrial sector (By % total employment)	Wholesale / Retail (18.5%)	Manufacturing (22%)	Wholesale / Retail (23.7%)	Manufacturing (35.8%)	Hotels and restaurant (20%)	Wholesale / Retail (22.3)

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

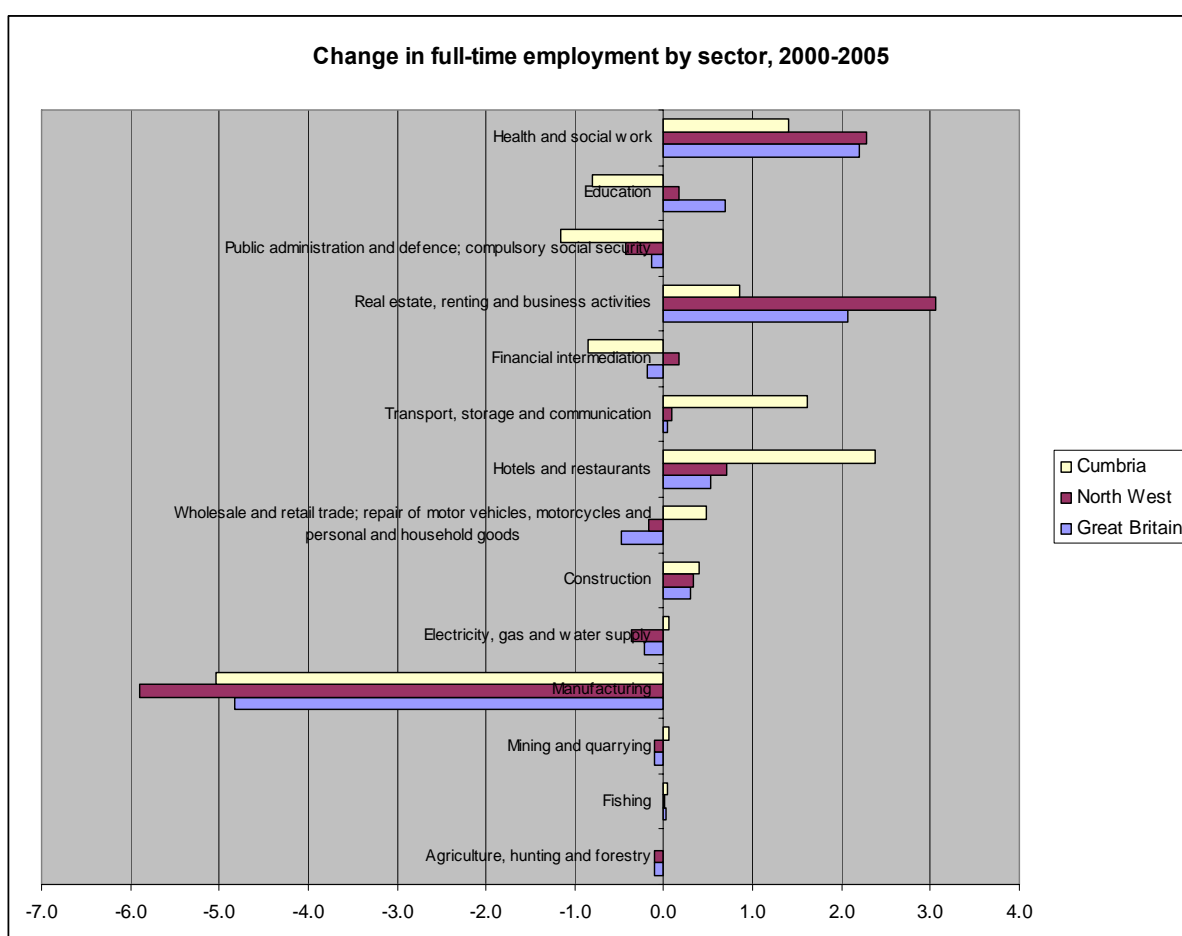
The overall employment structure of Cumbria differs from that of the region and England in several distinct sectors with a higher reliance on agriculture, hospitality and manufacturing and lower than average representation of finance, business services and education.

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%)

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.

Figure 2.1: Sectoral change in employment 2000-2005



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.

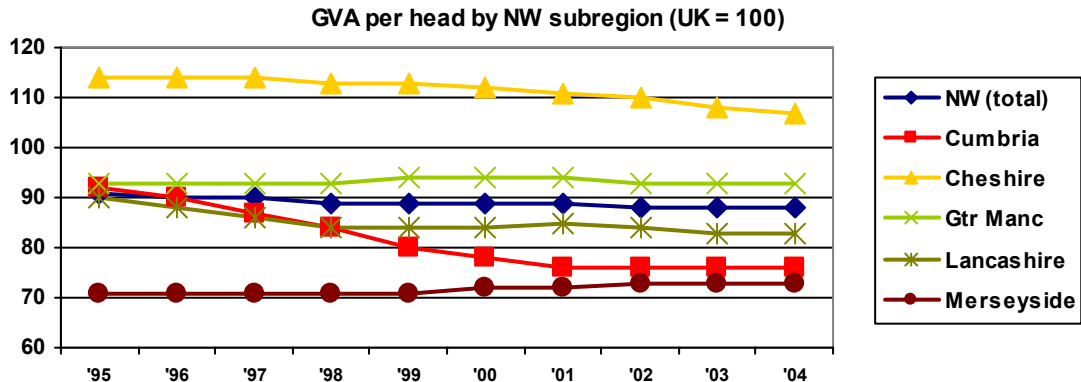
ONS VAT Registrations/De-Registrations

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

As Figure 2.2 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 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 2.2: GVA by Head, 1995-2004

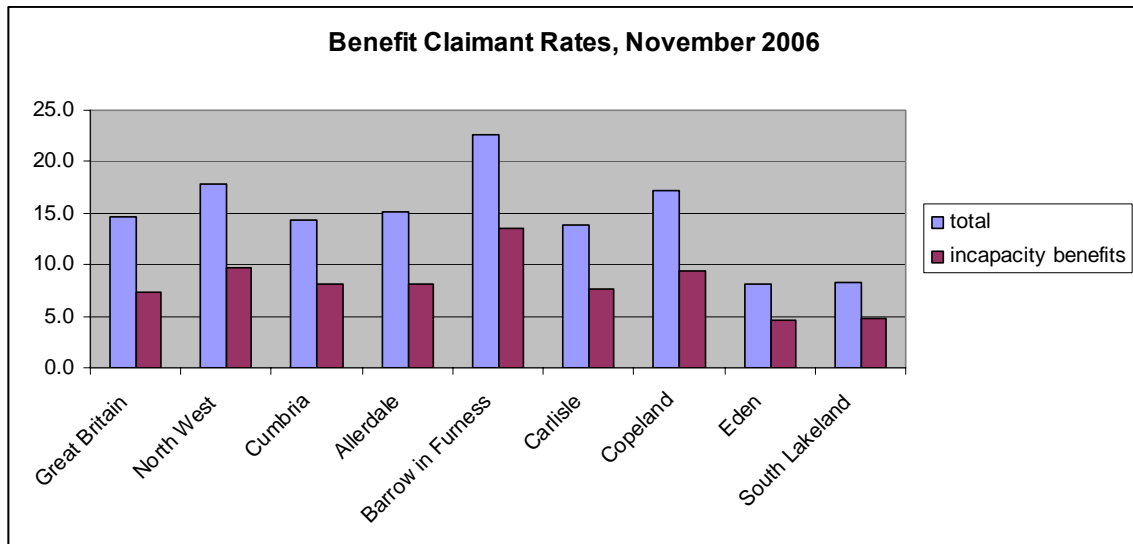


Source: Office for National Statistics

Employment and earnings vary across the county.....

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.)

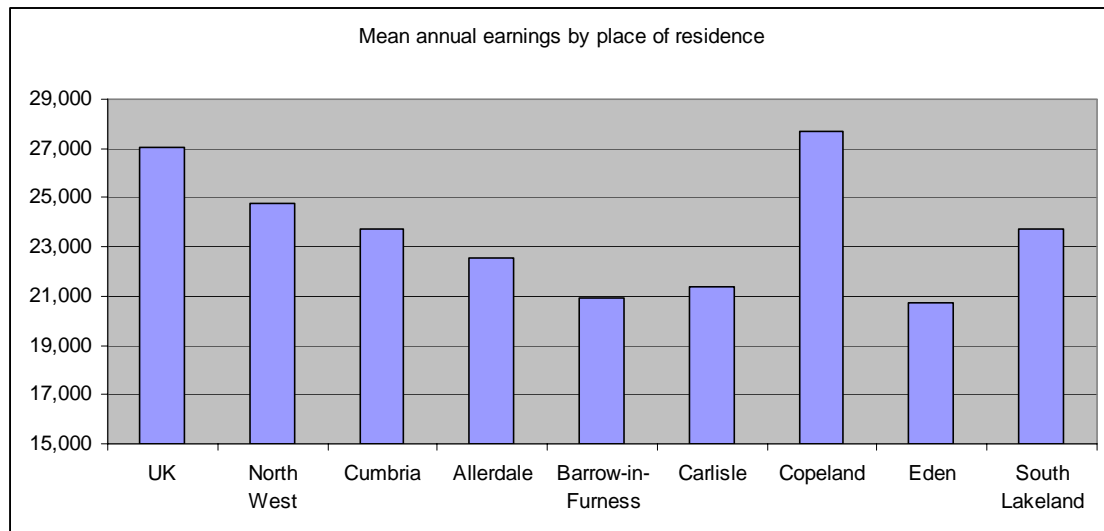
Figure 2.3: Benefit claimant rates



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.

Figure 2.4: Mean annual earnings

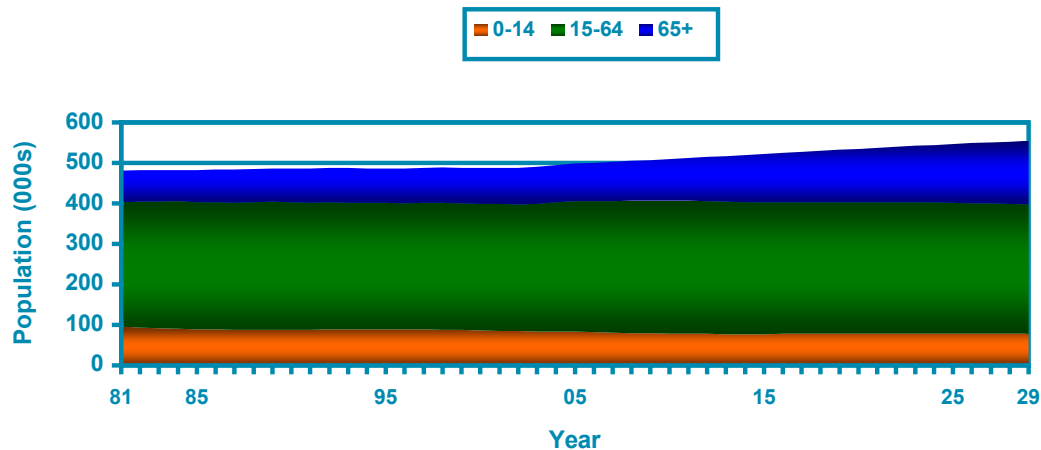


Sources: ONS Annual survey of Hours and Earnings, ONS Index of Multiple Deprivations

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 2.5: 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.

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

Despite the presence of a high number of graduate-level jobs within the nuclear industry, the County as a whole has a lower proportion of level 3 and 4 qualifications amongst the working age population, alongside a much higher proportion of basic (Level 1) qualifications than elsewhere in the country.

Source: NOMIS Labour Force Survey 2003/4

Table 2.3: 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

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.

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

PART THREE: THE STRATEGY

SECTION ONE : Introduction

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 strategy focuses on 3 clear areas of priority.....

Business, Enterprise and Employment
Education and Skills
Infrastructure

And cross-cutting themes that support growth in these priority areas;

The Rural Economy
The Natural Environment
Culture
Health, Public Sector Services and the Third Sector

Each of these Parts commences with a diagram showing the key challenges and opportunities relating to that area, which have been identified through examination of the empirical evidence contained in section 2 and Appendix 1, and from in-depth discussion with stakeholders across the county. The Parts then go on to detail the strategic priorities that will be implemented to match these challenges

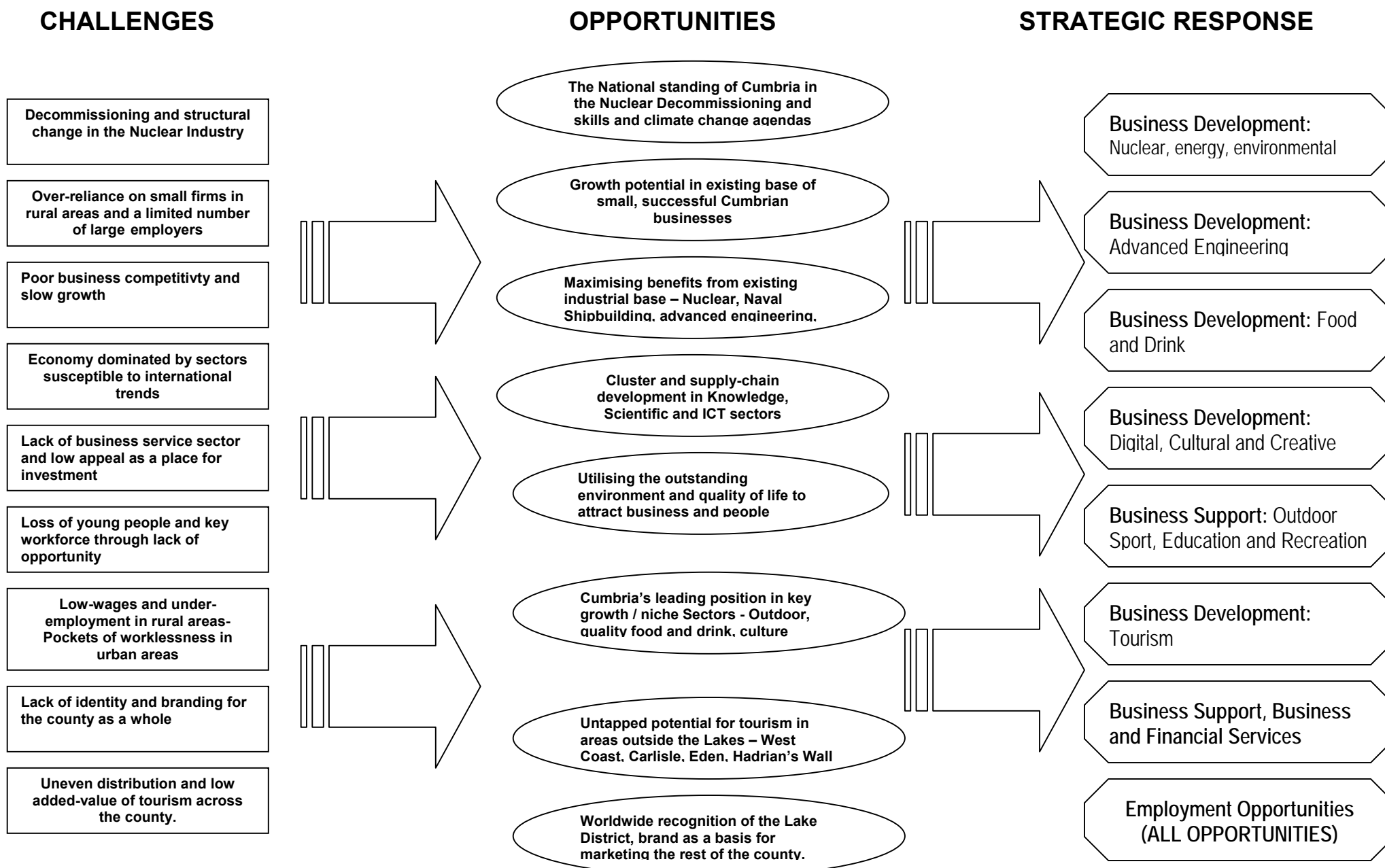
The time has come for change in Cumbria – and with the scale of the challenges that the county faces, the change must be great in scale and effect. **The focus for the county must shift from the historical method of small-scale, fragmented interventions that arise as responses to local problems: Strategic, transformational projects are required**, to make a sustained impact on the economic well-being of the county.

SECTION TWO: Business Enterprise and Employment

3.2.1 The Strategic Priorities

- To encourage **business development** in the following key growth sectors
 - > Nuclear, Energy and Environmental Technologies
 - > Specialist Manufacturing
 - > Tourism
 - > Digital, cultural and creative Industries
 - > Food and Drink
 - > Outdoor sport, education and recreation
- To provide **business support** that encourages enterprise, diversification, innovation and survivability, and encourage the growth of **business and financial services** within the county, both for the high GVA- jobs they provide, and also to facilitate growth in other sectors, and to
- 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

Figure 3.1: Business, Enterprise and Employment - Key challenges and opportunities



3.2.2 Business development

Focusing on 6 key sectors; A combination of those industries where Cumbria has historically out-performed, and that now show potential for growth, alongside others with national growth trends, where the county is already developing a leading position leading position.

Nuclear, Energy and Environmental Technologies

As host to the world's single largest concentration of nuclear facilities, Sellafield 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 on the West Coast and Furness peninsula. The term, Britain's Energy Coast, has been created to synergise the opportunities arising from national energy issues, and building upon these West Cumbrian strengths.

***The current position:** A industrial sector facing an uncertain future with the potential loss of 8000 jobs through decommissioning, but with the resources and positioning to continue making a major contribution to the Cumbrian economy*

The Strategic Priorities

- 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 exploit 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 from the area's potential for waste management / storage.
- Develop renewable energy generation, including offshore wind and tidal power
- Instigate a programme of commercialisation support, encourage diversification of supply chain companies and maximise the spin out benefits from existing know how, techniques and processes from within Sellafield
- Develop the specialist research and skills base in the area through supporting the National Nuclear Laboratory, and ensure a broad remit for the facility, including environmental research, defence and renewable energies...
- Contribute towards the target of a 'Carbon-Neutral' County

***The Goal;** "Britain's Energy Coast" – A world leader in Nuclear, environmental and energy technology, skills and delivery.*

Specialised Manufacturing

Discrete, specialist manufacturing forms a fundamental component of the Cumbrian economy, with existing clusters of cutting-edge specialist manufacturers, particularly in the marine, offshore and energy sectors, that provide high-quality, high GVA jobs that are relevant to the skills base of a large number of Cumbrians.

The current position: A number of successful, highly specialised manufacturing industries providing high GVA jobs to a limited number of people

The Strategic Priorities;

- Encourage the development of new products and processes to increase competitiveness of existing manufacturers and provide access to new markets
- Develop existing manufacturing clusters to attract new, high-quality companies to Cumbria and Develop a portfolio of actions addressing the specific needs of key manufacturing sectors such as sub-sea engineering and electronics
- Ensure the continuation of Naval Shipbuilding in Furness, and exploit spin-off opportunities from the existing manufacturing base.
- Provide 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 capitalise on the specialist help and advice of the Manufacturing Institute

The Goal; Significant expansion of advanced manufacturing industry, built on existing strengths and with high levels of connectivity.

Tourism

Tourism is a major component of the Cumbrian economy, contributing £1,129 million in 2005. Nonetheless there is a need to adapt to meet changing international tourism trends, and ensure sustainable management of the environment

The current position: A major component of the Cumbrian economy, but offering low wages and with a need to refresh the offer in the Lake District, and ensure that the potential of other areas can be realised.

The Strategic priorities;

- Improve the quality of accommodation and visitor facilities and the skill levels of the tourism workforce across the county, to ensure that 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 destination.
- Develop an internationally-recognised 'Cumbrian' brand that both refreshes the image of the Lake District and 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 self-sustaining futures.
- Maximise opportunities for tourism development offered by major infrastructure projects - Derwent Forest, Lowther Castle, West coast / Furness ports.
- Unlock the potential of under-utilised Cumbrian destinations – Eden valley, Hadrian's Wall and Carlisle, the west coast and the Furness peninsula.
- 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 and the potential for new conference facilities.

The Goal; A thriving tourism economy offering higher paying jobs that, generating higher GVA through increased visitor spend, in which all areas of the county can share.

Digital, cultural and creative Industries

The digital, cultural and creative industries are one of the fastest growing sectors in the economy expanding at a rate of 6%, with the North West digital and creative sector generating £6 billion per annum to the UK economy; however the Cumbrian share of the sector operates well below its potential.

The current position: *The Digital, creative and cultural industries suffer from a poorly developed business base, no critical mass, a lack of investment and poor co-ordination.*

The Strategic Priorities:

- Create a new market based on inward migration of businesses re-locating to Cumbria but serving wider 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 co-ordinated approach to development of the Cultural sector within Cumbria through partnership organisations such as Culture Cumbria
- Maximise the benefits of the strong digital, cultural and creative sectors in other areas of the North West
- Maximise the development of indigenous business

In addition to these priorities, the requirements for development of Cultural business assets mirror those described for the tourism sector above.

The Goal; *A fully developed sector that fully exploits the obvious physical, environmental and cultural resources of the County.*

Food and Drink

Within Cumbria we have an established reputation for a quality food and drink offering, arising from the high quality of Cumbrian agriculture and extending outwards into the tourism industry.

The current position: *Whilst productive, the food and drink sector lacks overall co-ordination and brand recognition and offers significant scope for improvement*

The Strategic Priorities:

- Encourage innovation and efficiency improvements amongst producers, processors and distributors
- Increase the profile of Cumbrian Food and Drink; locally, regionally, nationally and internationally, through the development of the 'Made in Cumbria' brand.
- Provide support and infrastructure for cluster and integrated supply chain development and Develop enhanced higher-value-added activities
- 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.

The Goal; *A 'Made in Cumbria' brand with a national reputation for quality, producing maximum added-value across the food, drink, agriculture and tourism sectors*

Outdoor sport, education and recreation

Cumbria offers a very broad range of adventure activities 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 current position; *The need to derive maximum benefit from this growth industry in which Cumbria has a world-leading position*

The Strategic Priorities:

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

The Goal; *Cumbria is internationally-recognised as the 'Adventure Capital' of the UK*

3.2.3 Business services and support

At present Cumbria is experiencing ongoing decline in both the number and productivity of private sector business and financial services. This is undesirable, as these services both generate high added value themselves, but also provide a fundamental driver to the growth of other sectors.

In Cumbria there are a range of public-sector business support agencies, have delivered a range of successes in past decades, however there is a lack of clarity over the roles of these organisations, and in many cases duplication of provision. At a national level, the Business Support Simplification Programme (BSSP) provides an unrivalled opportunity to evaluate and improve current business support provision.

The current position: *Decline in the range of Private Sector Business support services; and a need to streamline public sector business support*

The Strategic Priorities:

- Encourage growth of the private business and financial services sector to support growth in other key sectors
- Raise awareness of the specific support needs of Cumbrian businesses at a regional and national level
- Ensure successful delivery of the Business Support Simplification Programme in Cumbria.

The Goal: *An efficient and effective business service and support infrastructure that provides the right conditions for economic growth*

3.2.4 Employment opportunities

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 current position: Overall low rates of economic inactivity, which mask low wages and under-employment in rural areas, and pockets of severe worklessness in urban areas

The Strategic Priorities:

- Research 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
- Reduce the reliance on large numbers of job in a narrow range of sectors
- 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

The goal: to ensure that economic growth results in higher paying jobs. This does not necessarily mean jobs at the highest end of the salary spectrum, rather jobs that allow the entire Cumbrian workforce to increase their income.

SECTION THREE: Education and skills

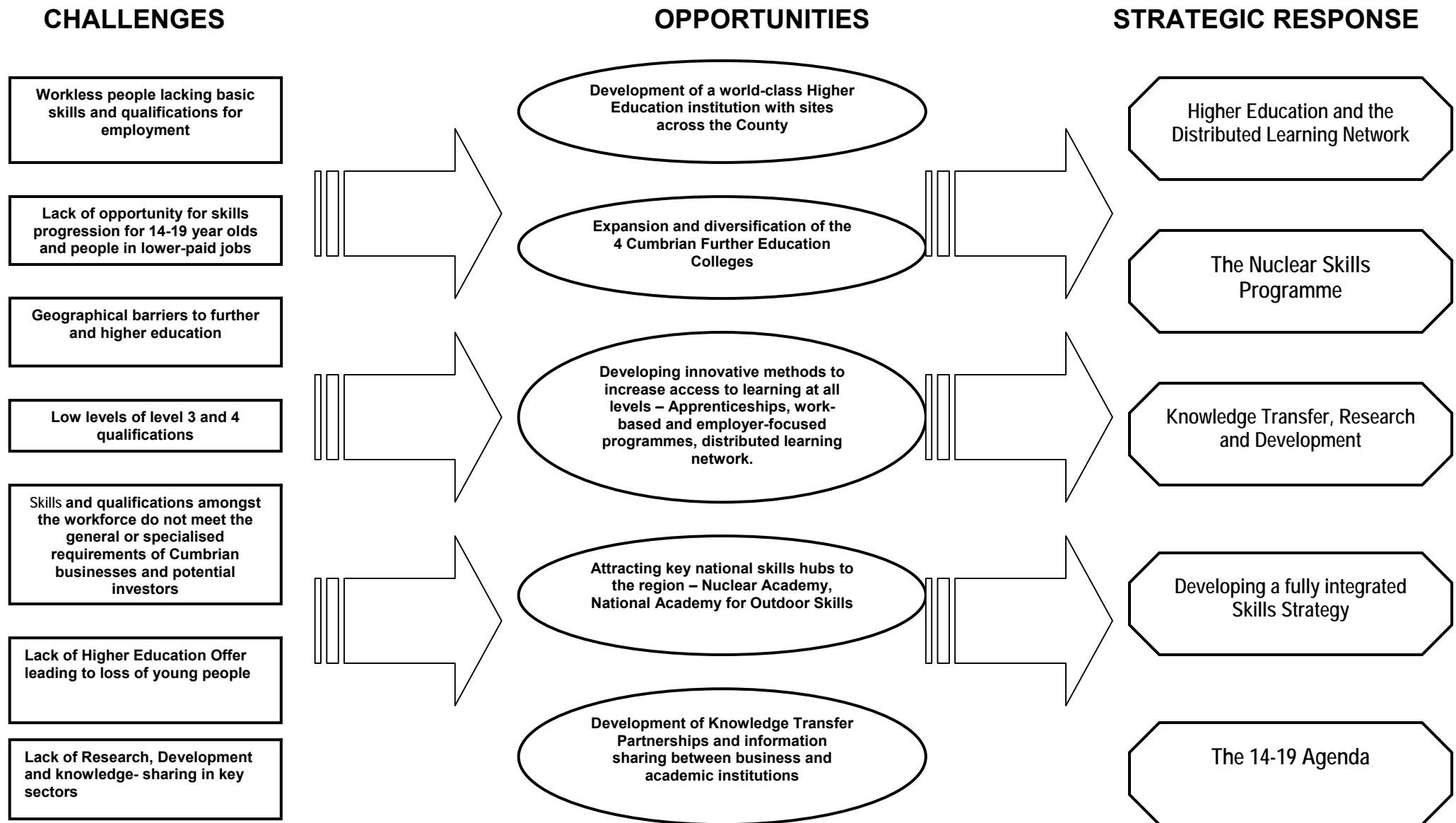
3.3.1 Strategic priorities

Ensuring that the Cumbrian workforce has the right skills and qualifications to meet the needs of existing and future business is fundamental in ensuring economic success. There are a number of highly specialised industries within the county with correspondingly specialised skills requirements, as well as industries with the need for a large workforce properly equipped with basic skills.

The Strategic Priorities;

- Significant expansion in the range of **Higher Education** Opportunities, delivered by the University of Cumbria and the 5 Cumbrian Colleges, that overcomes geographical barriers through a highly developed **Distributed Learning Network**
- Maximising the benefits of **The Nuclear Skills Programme** for West Cumbria to support the development of Britain's Energy Coast
- Increasing levels of **Knowledge Transfer, Research and Development**
- Development of a **fully integrated Skills Strategy**, to ensure opportunities for progression for all sectors of the workforce
- Delivery of the national **14-19 Agenda** in Cumbria
- Improve FE expertise in construction, marketing, ICT, leadership and management

Figure 3.2 Education and skills; Key challenges and opportunities



3.3.2 Higher Education, Further 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 current position: A county with sparse Higher Education provision, in a limited range of highly specialised courses that do not meet the aspirations of young people or the skills requirements of businesses

The Strategic Priorities:

- Ensure ongoing development of the curriculum offer in the County to establish a reputation as a leading provider of courses in a range of areas that meet the needs of the Cumbrian Economy
- Providing learning which is innovative, flexible, industry relevant and student-centered, through partnership delivery between the University, FE Colleges and other education providers
- Encouraging young people, the Economically inactive, and those hampered by lack of aspiration or geographical barriers, to enter into HE
- Support businesses in key and / or specialist sectors with identified skills gaps, who otherwise would have to go further afield
- Engage small and medium enterprises 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

The goal: World-leading, career-ready Education that meets the needs of young people, the workforce and businesses is delivered across the county

3.3.3 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 and the headquarters for the National Nuclear Academy, strengthening Sellafield's role as the centre of the UK Nuclear industry

The current position: Unrivalled opportunity from the proposed siting of the headquarters of the National Nuclear Academy within Cumbria

The Strategic Priorities:

- 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

The goal: A nationally recognised institution that delivers the skills required maximise the benefits to Cumbria of the national agendas for Nuclear Decommissioning and Climate Change, and ensure the success of 'Britain's Energy Coast'

3.3.4 Knowledge Transfer, Research and Development

Cumbria does not perform well in terms of research and development and innovation. A key catalyst for increasing innovation in Cumbrian SMEs will be the processes of knowledge transfer that take place between SMEs and Higher Education institutions within and beyond Cumbria, between SMEs themselves, and between SMEs and public bodies.

The current position: A core of formal Research and Development exists in a select number of larger employers (particularly at Sellafield) and examples of innovation excellence exist however the majority of Cumbrian businesses do not benefit from Knowledge Transfer

The Strategic Priorities:

- Develop a clearer understanding of RTD and innovation priorities in Cumbria, drawing on the knowledge of dedicated projects such as the CRIPREDE project.
- Develop a framework for RTD for Cumbria based on the best practice learned from other EU regions.
- Strengthen partnership working between key stakeholders, develop and expand operational Knowledge Transfer groups, and ensure dissemination of information.
- Promote enterprise and innovation to SMEs and provide investment and support for specific industry sectors/clusters

The goal: A county with an effective framework for Research and Knowledge transfer between businesses and institutions, which draws on best practice from other regions that have been successful in Research and Development.

3.3.5 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 current position; A workforce held back by a lack of opportunities for educational progression and courses which do not meet the needs of employers

The Strategic Priorities:

- Increase employer investment in the supply of learning opportunities in Cumbria to ensure the development of businesses and the skills of the workforce
- Ensure the ongoing success and expansion of the four FE colleges in Cumbria.
- 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
- Cumbria Vision to lead development of private-sector led Employment and Skills Boards

The goal: Clear and easily accessible opportunities for gaining skills and qualifications that enable career progression for all of the workforce, in careers relevant to Cumbrian industry

3.2.6 The 14-19 Agenda

We are 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 current position;** A county where the routes for progression from secondary school to further education or work-based training are not always clear*

The Strategic Priorities:

- Cumbria has established a county 14 – 19 Strategic Partnership to provide leadership and direction in driving forward the 14 – 19 reform agenda forward.
- 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 1-19 learning entitlement

***The goal:** All 14-19 year old Cumbrians are given the opportunity to develop skills and qualifications that are relevant to them and the needs of employers*

SECTION FOUR: Infrastructure

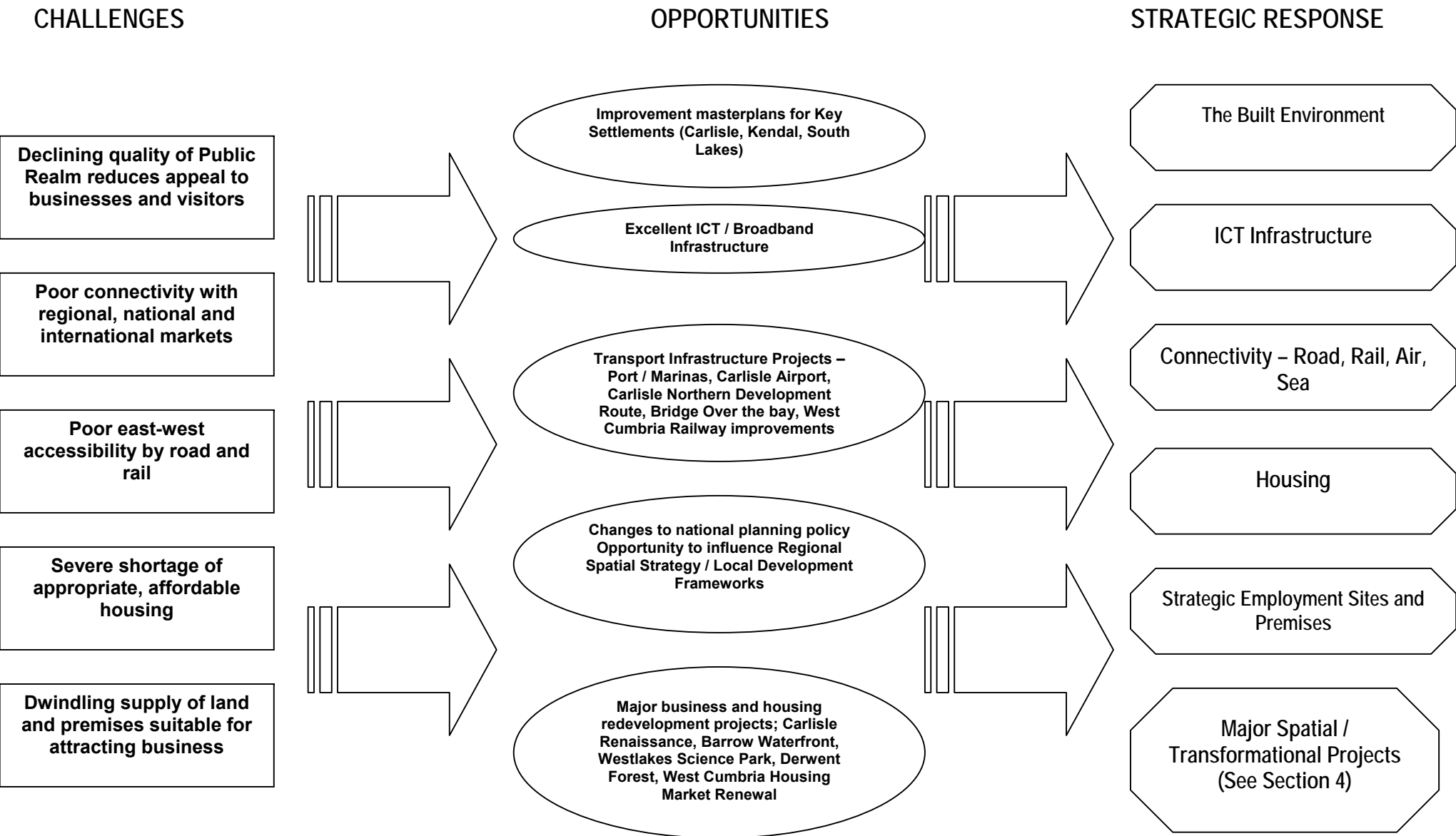
3.4.1 The Strategic Priorities

Relative geographical isolation and poor transport infrastructure have been significant factors in the Cumbria's 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, restricting inward investment and slowing the economic growth. Poor quality housing in some areas, 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 attract more location-flexible businesses and the county has excellent ICT communications infrastructure.

The Strategic Priorities

- Improving **Connectivity**, by **Road Rail, Air and Sea**
- Increasing the supply of **Strategic Employment Sites and Premises** to meet the needs of Cumbrian business and attract investment
- Increase supplies of appropriate, decent and affordable **Housing** to meet the needs of the population and support economic growth
- Further developing the **Information and Communications Technology** network to maintain Cumbria's current competitive advantage
- Making radical improvements to the **Built Environment** of the county

Figure 3.3 – Infrastructure; Key challenges and opportunities



3.4.2 Connectivity – Road, Rail, Air and Sea

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

The current position; Excellent north-south communications but road and rail access east-west remain inadequate, the county has no direct air services to London or Europe, and the sea ports remain an under-exploited resource

The Strategic Priorities:

- 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
- 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.

The goal: Excellent connectivity between all areas of the county, the UK and the rest of the world, that supports economic growth and encourages inward investment

3.4.3 Strategic Employment Sites and Premises

Cumbria has two regionally-significant employment sites, Kingmoor Park in Carlisle and Westlakes Science and Technology Park near Whitehaven. Furness and West Cumbria are experiencing commercial property market failure, with a recognised oversupply of low quality un-serviced employment sites and there are significant shortages of readily available employment land in south and east Cumbria.

The current position; Economic growth is restricted by the lack of high-quality commercial land and premises suitable for modern businesses

The Strategic Priorities:

- 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

The goal: Excellent connectivity between all areas of the county, the UK and the rest of the world, that supports economic growth and encourages inward investment

3.4.4 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.

The current position;

The West of the County and Furness: A poorly structured housing market with a lack of decent, high-quality housing which reduces the appeal of the area as a place for investment.

Elsewhere: A chronic shortage of affordable housing arising from affluent in-migrants, a lack of suitable land and restrictive planning policies, which contributes to key sectors of the workforce leaving the county

The Strategic Priorities:

- Develop a comprehensive evidence base that identifies the role of housing as an economic driver.
- 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
- Maximising land and housing allocations through influencing Local Development Frameworks and Regional Spatial Strategy.
- Raise the profile of Cumbria as 'open for business' for housing developers and investors
- Secure ongoing funding and delivery of the West Cumbria HMR programme
- Explore the ways in which the terraced housing can be adapted to meet twentieth century lifestyles and aspirations, and schemes which convert smaller terraces into larger family homes
- Stimulate the very top of the housing market by creating opportunities for self-design and build

The goal: Balanced, sustainable housing markets across the county that provide appropriate and affordable housing for all.

3.4.5 Information and Communications Technology (ICT)

ICT has the ability to overcome barriers of distance and time, and therefore the need to exploit ICT and digital commerce is vital in Cumbria. This is dependent upon the organisations having appropriate resources and skills. Historically successful NWDA investment in Project Access has raised broadband take up in the county above the national average and as such has reduced the 'digital divide', but there are still unrealised opportunities in the field,

The current position; High quality ICT infrastructure that requires further development to maintain Cumbria's current competitive advantage

The Strategic Priorities:

- 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

The goal: Cumbria continues to enjoy a competitive ICT advantage as technology progresses

3.4.6 The Built Environment

A successful town is one where people choose to live, work and visit. A key component of this is a townscape that looks attractive and feels safe. Research commissioned by Cumbria Tourism has highlighted concerns about the public realm in many parts of the County. The research sited a lack of investment in upgrading and maintenance of facilities, unattractive and expensive car parks, pot-holed highways, poor signposting and a generally deteriorating street scene. Remediation of these issues is essential for economic growth and quality of life.

The current position; General deterioration of the public realm in many key settlements, impacting on the tourism industry, quality of life and the appeal of the area to business.

The Strategic Priorities:

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

The goal: High quality, accessible Key settlements that promote sustainable economic growth

SECTION 5: Cross Cutting Themes

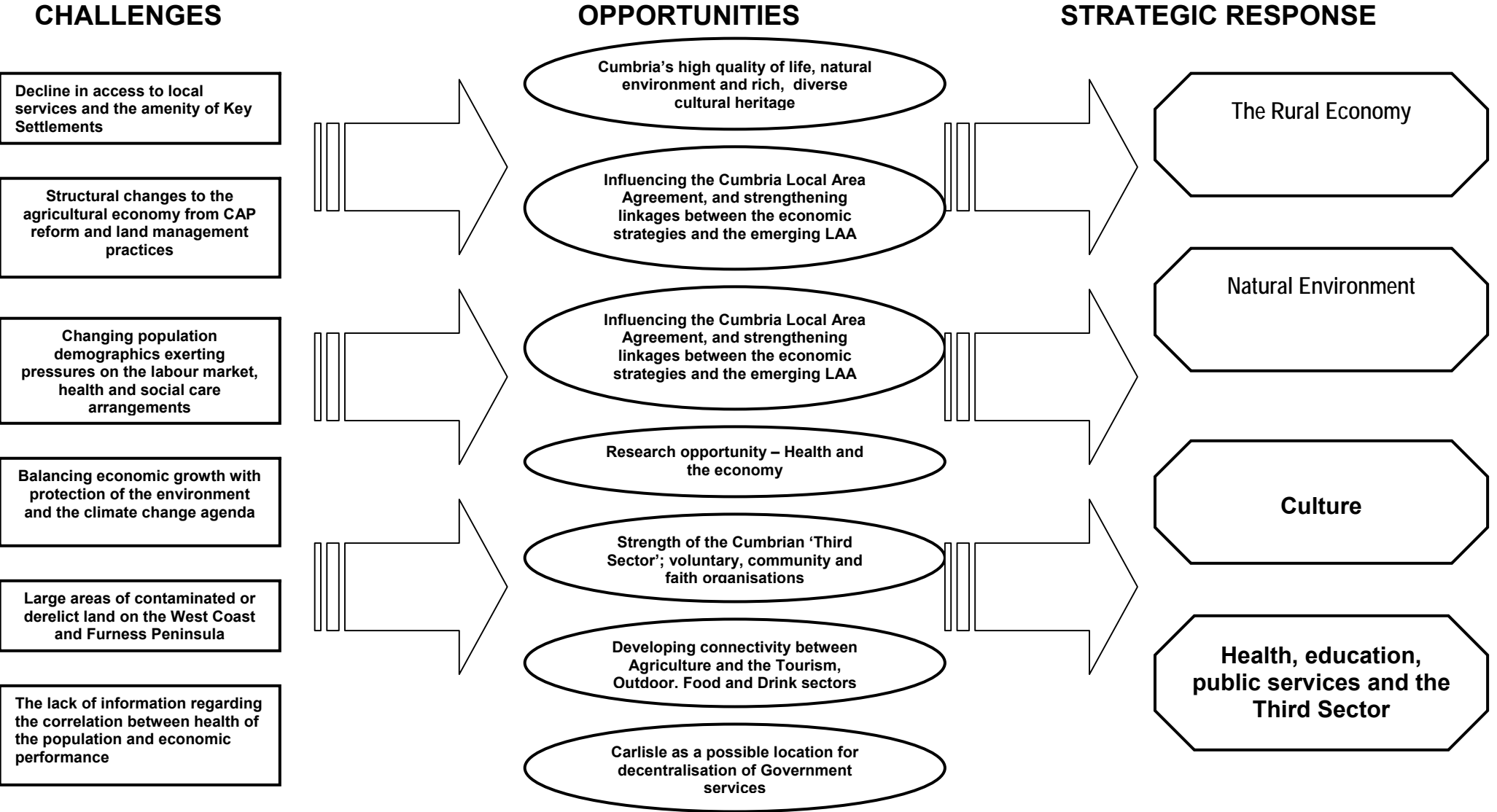
3.5.1 Key Cross-cutting themes

Sections 3.2-3.4 describe the key Strategic actions for economic growth in Cumbria, but these priorities cannot be treated as isolated elements. The delivery of a range of actions in cross-cutting themes, which impact on all of the county's communities and businesses is essential to ensure a sustainable economic future.

The Cross-cutting themes;

- Rural areas comprise 60% of Cumbria and face severe problems of housing affordability, loss of local services, and demographic changes that increase demand on public services. There are significant issues relating to agriculture and conservation. Supporting all elements of **The Rural Economy** is essential for economic growth
- Protection and enhancement of the **Natural Environment** is essential to growth in several key economic sectors
- Stimulating **Culture** in the county, as a key contributor to the economy and quality of life in the county
- Supporting **Health, Education, Public services and the Third Sector**, in recognition of the major role they play in the Cumbrian Economy

Figure 3.4: CROSS-CUTTING THEMES: Key challenges and opportunities



3.5.2 A Rural Economy

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.

The current position; *A fluctuating rural economy reliant on the natural environment, susceptible to national trends and heavily reliant on small businesses.*

The Strategic Priorities:

- Promote sustainable rural communities through supporting initiatives that address demographic change, promote rural services, and ensure access to affordable housing.
- 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, tailored to the needs of rural businesses, that encourages enterprise, diversification, innovation and business survivability
- 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.

The goal: A balanced and sustainable rural economy delivering higher added value, that is flexible and can successfully respond to change

3.5.3 Natural Environment

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 contribute some £15m in direct payments to farmers and land managers.

The current position; *A fundamental driver in the Cumbrian economy, facing change on a global, national and local level*

The Strategic Priorities:

- Support individuals, organisations, land managers and businesses to take action to conserve and enhance the natural environment.
- Develop Cumbria's profile and contribution as a leader in tackling climate change, through developing a 'Zero Carbon Footprint' for the county
- 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

The goal: A county with a healthy and sustainable natural environment, making a leading contribution in tackling climate change

3.5.4 Culture

Culture plays a crucial role in regenerating communities, making our lives more enjoyable, and contributing to the Cumbrian economy, however the sector is limited however by the lack of strategic and joint marketing; a lack of critical mass; poor cultural cluster development;

The current position; A county with world-class cultural heritage that is s under-utilised.

The Strategic Priorities:

- 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

The goal: A strong, vibrant cultural sector that provides optimum benefits to the economy and quality of life in Cumbria.

3.5.5 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%]. These figures do not include Third, Sector employees, who make up almost 10% of the Cumbrian workforce

Opportunities arise, through potential investment in the education sector and the possibility of Cumbria as a location for decentralization of public services, identified in the Lyons Review.

The current position; A major employer and economic contributor that is nonetheless underrepresented in the Cumbrian Economy

The Strategic Priorities:

- Ensuring co-ordination between the Economic Plans and the strategies of key partners, through existing linkages in the Cumbria Strategic Partnership
- Development of the health and education sector in Cumbria to increase the number of higher-value jobs in the county.
- Maximise local supply chain benefits through locally-focused public sector procurement
- 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 Third Sector in service delivery
- Identify opportunities, and lobby for, increased presence of public sector organisations through decentralization of public services.

The goal: Expansion of Public and Third Sector employment in Cumbria to it's full potential

PART FOUR: DELIVERING THE STRATEGY

SECTION 1: Strategic Linkages

The Strategy as described in Part Three will by and large be delivered through Major Projects. The relationship between the key priorities / themes and the area based plans and flagship projects are shown in the table below:

Table 4.1: Linkages between Economic Drivers and Major projects

Major Project	Business, Enterprise Employment	Education Skills	Infrastructure	Rural Economy	Environment Culture Services
A Masterplan for West Cumbria – The Energy Coast	√√√	√√√	√√		
Carlisle Renaissance	√√	√√	√√√		√
Rural Renaissance	√√	√√√	√	√√√	√√
Barrow Regeneration Action Plan	√√	√√	√√√		√√
Derwent Forest	√√√		√√		√√
The Waterfront Barrow-in-Furness	√√√		√√√		√√√
Lowther Castle	√	√√		√√√	√
Carlisle Airport	√√√		√√√		
University of Cumbria	√√	√√√			√

Section Two: Major Projects

4.2.1 A Masterplan for West Cumbria – The Energy Coast

Through delivery of critical elements of a national energy strategy that meets the imperatives of climate change and secures the nation's energy supply, West Cumbria will be transformed into one of Britain's fastest growing economies. 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. Delivery of the Masterplan will secure the following results:

- Global recognition as a leading nuclear, energy and environment cluster
- A strong, diversified and well connected economy, with a growing, highly skilled population with high employment.
- A global centre of scientific excellence, with outstanding natural beauty and a vibrant lifestyle which attracting a diverse population and visitor profile.
- Opportunities for all, where geography is not a barrier to achievement and where deprivation, inequality and social immobility have been reduced.

4.2.2 Carlisle Renaissance

Carlisle, the capital of the sub-region, provides a service centre for the north of the county and a large swathe of south-west Scotland. Despite areas of deprivation, and the impact of the flooding in 2005, the city is set for significant growth, with population projected to increase by as much as 20,000 by 2020; the city has significant capacity for expansion in the manufacturing, education, tourism and business services sectors. Launched in 2005, Carlisle Renaissance seeks to deliver the following priorities;

- Establish Carlisle as a Learning City , that meets future economic needs
- Strengthen the City's economic base by stimulating investment in higher value added business, new business creation and sustainable growth clusters.
- Develop Carlisle as a major destination for leisure and business tourism, building on the city's unique heritage, environment and geographic location.
- Create sustainable communities, with access to opportunities in education and employment and tangible improvements in local housing, and services.
- Revitalise and expand the City Centre, with new high quality mixed-use developments, improved public realm and a vibrant waterfront environment
- Improve sustainable movement into and around the city

4.2.3 Rural Action Programme

Following on from the five year £40 million Cumbria Rural Action Zone Programme, there is a need to agree a new development programme for rural Cumbria from 2008 onwards which will address the following four priority issues:

- Developing the skills of the rural population to enable them to access higher-paying jobs.
- Market towns and key service centres as growth poles for rural regeneration.
- Development of a diverse and sustainable agricultural sector
- Support and develop new and existing businesses in rural areas

4.2.4 Barrow –in-Furness Regeneration Action Plan

The Furness peninsula has suffered over the past 30 years some of the most damaging economic events in Cumbria, including the final closure of the Barrow Steelworks in 1983 and the drastic reduction in shipbuilding jobs throughout the 1990s. These events have resulted in some of the highest levels of deprivation and worklessness to be found in the North West. In response, a Partnership of key organisations has developed a Regeneration Plan to deliver economic growth in the area. Key components include;

- Diversifying Barrow's economic base
- Investing in New business and skills
- Improving the attractiveness, retail and cultural offer of Barrow town centre through delivery of the Barrow Town Centre Urban Design framework.
- Developing Barrow's port area as a new leisure and lifestyle destination
- Creating new transport gateways and connections.
- Maximising Barrow's opportunities as a new leisure and tourism destination

4.2.5 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. The site has been redundant since 1992 and despite its industrial uses benefits from a uniquely beautiful outlook and special 'sense of place'. The site offers an exceptional opportunity to deliver real benefit

to the West Cumbrian economy. The vision for the Derwent Forest project is to create 'A prestigious leisure and commercial destination in the Western Lakes' possibly to include a championship golf course, luxury hotel, high-quality housing and a natural leisure park.

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.

4.2.6 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'. Development will commence on the £200m scheme in 2007 and over ten years will deliver the following components;

- The Waterfront Business Park - a £20m development of a 60 acre business park development eventually creating approximately 1,500 new job opportunities in the targeted growth sectors, commencing in 2007
- The Marina Village - a £120 million private sector-led development of 650 homes, hotel, restaurants, retail, water sports centre and 350 berth marina
- A cruise liner terminal, catering for the expanding cruise liner market.

4.2.7 Lowther Castle and Gardens

This transformational project aims to restore 500 acres of historic parkland, including the complete conservation of the Lowther 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, offering;

- Restored castle ruin, include a viewing platform in the castle tower offering 360 degree vistas of the Eden valley and the fells of the Lake District.
- 500 acres of lost gardens brought to life as a space for people to enjoy, where art meets landscape and the past can be relieved.
- A 1,500 seat outdoor amphitheatre for music and drama, and a 30,000 sq ft visual art gallery and exhibition
- A free visitor centre with retail, restaurants, learning and exhibition space.

4.2.8 Carlisle Airport

In May 2006, W A Developments acquired Carlisle Airport and is developing a £25 million scheme to enable Stobart Air Ltd to operate passenger and freight air traffic. This will involve the construction of a new runway and airport facilities to the south of the site, with direct access onto the A689 and subsequently Junction 44 of the M6

Adjacent to the terminal buildings will be a prestigious headquarters for W A Developments as well as associated businesses and a hotel / conference centre. Site and environmental assessments are underway a full planning application is anticipated in Autumn 2007. The airport will need to be fully operational by 2009 otherwise W A Developments and Eddie Stobart Ltd may relocate to Preston.

4.2.9 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. The University is much more than a regional institution. It is the largest provider of initial teacher training in the country and has considerable expertise in health-related programmes. The specialised nature of its art, design and media courses attracts international attention, and forms 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. Of particular importance is the development of sustainable, mutually beneficial engagements with employers.

This University will make a transformational impact within Cumbria and will establish itself as an institution of choice for students from across the country.

SECTION THREE: Funding programmes and strategies

The implementation of this Strategy not only needs to influence public sector expenditure, but it must also ensure substantial private sector expenditure is attracted into Cumbria. Private investment is essential to ensure sustained economic growth, boosting productive capacity, driving job creation, and encouraging innovation. As the slowest growing sub region in the UK since the mid 1990s, the amount of inward investment in Cumbria has been relatively low as a result of structural weaknesses in the county's economy, therefore it must be accepted that Cumbria will have difficulty in turning this around. 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, and Port Derwent at Workington.

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

It is anticipated that approximately £80 million per annum will be provided through the NWDA for economic regeneration in Cumbria, through 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.

SECTION 4: Delivery arrangements

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

The key element to the success of this Strategy will be to develop the delivery capacity of organisations within Cumbria. There are currently over 90 publicly-funded organisations in Cumbria involved in regeneration, all operating with separate infrastructures, and in many cases duplicating activities with one or more other bodies. In many cases these organisations lack the critical mass, expertise and continuity of funding to deliver transformational projects. **A fundamental first step in delivering the Economic Plan will be to review delivery structures within the County and identify opportunities for development of organisations that can meet the demands of major projects** (for example the West Cumbria Spatial Masterplan, advocates the creation of a 'single delivery body' to implement the Masterplan) This approach may require organisations with appropriate capacities from outside the sub-region.

Cumbria Vision exists to provide strategic leadership, policy development and to oversee the implementation of the Cumbria Economic Plan. We will provide an effective voice for Cumbria on economic development issues and will seek to influence regional and national policy to ensure economic growth in the county. As the Economic Development Thematic Partnership for the Cumbria Strategic Partnership, Cumbria Vision has a key role in supporting the delivery of the current Cumbria Community Plan 'Sustainable Cumbria' and providing a strategic lead on the revision in 2007/08 of the economic elements of the plan, and the Economic Development & Enterprise Block of the Local Area Agreement. The outcomes within the Economic Plan, the Community Strategy and the Local Area Agreement will therefore be entirely aligned.

Our 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 and a strong economic evidence base
- Provision of a in the Cumbria Economic Plan, to 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 and resolving weaknesses in delivery capacity
- Commission delivery programmes in conjunction with funders to address identified areas of market failure or market opportunity.
- Deliver legacy programmes transferred into Cumbria Vision

- Work with partners to progress projects from pre-concept to investment decision stage