Report to Environment & Economy Overview and Scrutiny Panel	Agenda Item: A.3

Meeting Date:	30th July 2015
Portfolio:	Economy, Enterprise and Housing
Key Decision:	Not Applicable:
Within Policy and Budget Framework	NO
Public / Private	Public

Title:	UPDATE ON THE CARLISLE ECONOMIC REVIEW REPORT
Report of:	The Deputy Chief Executive
Report Number:	SD17/15

Purpose / Summary:

The purpose of this report is to present the Economic Review of Carlisle 2015 to members of the Overview and Scrutiny Panel and seek views on the issues arising.

Additionally the report will also provide a brief update on the progress on the partnership Recommendations arising from first Economic Review conducted in 2013.

This written report will be accompanied by a verbal presentation summarising the key findings and issues for the City.

Recommendations:

1. That members of the Overview and Scrutiny Panel receive this report and verbal presentation and consider the issues arising from this work.

Tracking

Executive:	-
Overview and Scrutiny:	30th July 2015
Council:	-

1. BACKGROUND

During 2012/13 the Carlisle Economic Partnership (CEP) worked with the University of Cumbria, the Chamber of Commerce and Cumbria Intelligence Observatory to develop an Economic Review of Carlisle.

The key purpose of this review was to raise awareness of the key economic drivers in the District and its wider city region and assist the City Council and CEP to formulate actions and projects to support growth and prosperity.

The 2012/13 review covered the following topic areas:

- Defining the local economic geography
- Understanding demographics and local labour market
- Establishing key employment sectors
- Assessing current levels of skills (NVQ 1-4+) and earnings
- Demand for goods and services
- Desirability of the city region
- Current levels of innovation and enterprise
- Perceptions of Carlisle businesses
- Levels of connectivity (including broadband)
- Road, rail, site infrastructure issues
- Future trends – employment, sectors, business growth

The draft review document was presented for discussion at the Environment and Economy Overview and Scrutiny Panel in late 2015. A copy of the final document can be downloaded from the Council's web site -
http://www.carlisle.gov.uk/downloads/Economic_Review_of_Carlisle_final_version.pdf

The review also drew together a suite of recommendations for the CEP to consider / act upon; these recommendations (and updates) are to be covered in the verbal presentation.

Following this first economic review the CEP decided to repeat this helpful exercise in early 2015. The result of this work is a new expanded review document. This 2015 review is attached to this report at Appendix A and will be the main subject of the verbal presentation.

This new review covers the same topic areas as in 2013 updating these with Census data and other relevant information. In addition to these original areas the new review also includes specific sections covering the following:
- Housing provision
- Transport and communications

- Retail space
- Green infrastructure
- Health challenges
- Tourism

These additions supplement the original work and provide a richer picture of the local economy. The new document also seeks to align itself with other key sub-regional strategies and plans; these are outlined in Chapter 8 of the document.

Further to the production of this document the CEP will now meet in September to develop a new set of key actions for the 2015/18 period.

2. CONCLUSION AND REASONS FOR RECOMMENDATIONS

That members of the Overview and Scrutiny Panel receive this report and verbal presentation and consider the issues arising from this work.

Contact Officer:	**Darren Crossley**	**Ext:**	**7004**

Appendices attached to report:	**Economic Review of Carlisle 2015**

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**

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – None

Deputy Chief Executive – None

Economic Development – This work is considered to be a key economic document that supplements other Local Plan evidence bases / documents and assists the Council to formulate effective economic policy and projects.

Governance –

Local Environment –

Resources -

APPENDIX 1 – Economic Review of Carlisle 2015

Carlisle Economic Partnership

ECONOMIC REVIEW OF CARLISLE

July 2015

ACKNOWLEDGEMENTS

This version of the Economic Review for Carlisle has been prepared by researchers at the Centre for Regional Economic Development (CRED) at the Business School, University of Cumbria. Evidence has been revised using the most recent data and, where necessary, interpretations and commentary have been redrafted to reflect recent change.

Thanks are due to Officers at Carlisle City Council for supply of relevant datasets and policy documents. Useful feedback on earlier drafts of this document has also been received from Darren Crossley. The document has also benefited from revised data provided by Ginny Murphy, Cumbria County Council, particularly related to the employment and population projections in chapter five. The interpretations and emphases placed on the information supplied from all sources remain the responsibility of the authors.

This report is written in a dynamic situation and many of the issues raised by this analysis are already being addressed through current policy. We are grateful for the policy update provided by council officer's response to this report which is included as appendix C.

Frank Peck, CRED Research Director, University of Cumbria

Keith Jackson, CRED Researcher, University of Cumbria

July 2015

CONTENTS

EXECUTIVE SUMMARY

Defining the Economic Geography of Carlisle

1. The majority of people that work in Carlisle also live within the District (38,368). In terms of defining the economic geography of Carlisle, however, greater significance should be attached to the volume of flows into the District from neighbouring territories associated with commuting to work and journeys to shop, to access education and leisure.
2. The 2011 Census reveals that there are significant levels of in-commuting (12,348) into Carlisle from neighbouring areas on a daily basis representing around 24% of the working population. These flows are particularly high from Allerdale (3,832), Eden (2,082) and Dumfries and Galloway (2,197).
3. Studies of retail catchments also indicate that the non-food catchment area of Carlisle contains a resident population of over 300,000 extending across the Scottish Border, Penrith and West Cumbria. These patterns suggest that Carlisle has a significant impact on the economies of neighbouring territories and that the economy of the city is sustained by a wide catchment.

Economic and Demographic Context

4. The 2011 Census shows that the population of Carlisle was 107,524 and had increased since 2001 by 6,782 (+6.7%). There have also been changes in population structure involving a lowering in the *proportion* in the 0-15 age group and increase in those over 65. This is consistent with a pattern of population "ageing" which is a prominent aspect of demographic change across Cumbria in general.
5. Carlisle has a working population of around 66,000. Compared to benchmark cities (York, Exeter, Lancaster), Carlisle has a relatively low proportion of working age population in employment (57.9%), though this is partly compensated by above average numbers self-employed (12.7%). Historically, claimant unemployment rates are low in Carlisle compared to county and national averages.
6. In terms of employment, key sectors in Carlisle include health (16.7%), retailing (11.8%), manufacturing (10.3%) and transport and storage (8.1%). Compared to benchmark cities, Carlisle has more employment in manufacturing and transport & storage and lower numbers in higher value services and education.
7. Recent employment performance of Carlisle since 2009 has been quite positive with overall growth of 4.1%. Employment performance has been particularly good in health and transport & storage, but there have been declines in accommodation & food and construction.
8. In terms of occupations, the proportion of employees involved in management or senior positions and people involved in professional occupations is relatively low (21.4% compared with a UK average of 29.2%). The gap widens further if associate professional staff are included (30.7% Carlisle against 40.9% for E&W).
9. In contrast to benchmark cities, Carlisle also has lower proportions of workers with higher level qualifications (NVQ4 and above). This same difference is reflected in

average weekly full time wages and salaries (£435) which is significantly lower than the national average (£517).

Business Structure

10. In 2013, there were 3,945 enterprises operating in Carlisle. Significant sectors include agriculture, forestry and fishing (785), construction (485), professional, scientific and technical services (355) and retailing (305). A very high proportion of these businesses employ fewer than 5 people (74%) and 99.5% are SMEs employing fewer than 250.

11. The rate of new business formation as measured by new VAT registrations in Carlisle is significantly lower than the UK average. It is also the case, however, that the rate of deregistration is also low, suggesting less churn in the small businesses. Significantly, the survival rate (VAT registered businesses still in existence after 3 years) is relatively high in Carlisle (2008-2011 = 64.8%).

12. Surveys conducted since 2013 indicate that businesses in Cumbria have experienced difficulties associated with cost pressures and “less cash” in the business for investment. Despite squeezed profit margins, business owners have remained relatively optimistic and expect recovery in successive years.

13. The 2013 Business Survey also shows that the local market in Cumbria continues to be of prime importance for many businesses (73% of businesses sell to local customers). In contrast, exporting is insignificant to most businesses; it is estimated that on average, exporting accounts for less than 3% of sales. However, over 30 percent of business respondents state that they derive (at least) part of their income from tourism. It is estimated that in 2013 tourism revenues amounted to £353 million helping to sustain 5,000 jobs in the District.

Infrastructure

14. Many of the strengths of Carlisle are closely linked to its location, its physical infrastructure and the quality of its urban and rural environments. The City is a transport hub of national significance due to its location on the M6 corridor and east-west routes to Tyneside, SW Scotland and West Cumbria.

15. There is also no shortage of employment land (84.2 ha in April 2014) and there are sites for business development close to or within these major communications corridors. Uptake of land and sites, however, has been relatively low and it is assumed that this relates to the inappropriateness of sites in terms of size, types of premises and specific locations. Vacancy rates have fallen in recent years, but from fairly high historic levels.

16. Housing and house-building is a highly significant component in the local economy both in terms of generating demand and attracting and retaining skilled labour supply. In 2011, there were 48,380 dwellings in the District, 84.5% in the private sector (owner-occupied and private rent). In terms of affordability the City has a relatively low house-price/earnings ratio which has fallen since 2010-11 to reach 4.1 in 2013.

17. Carlisle has many attractive residential areas in both urban and rural settings. However, housing stock needs regular replenishment to maintain standards of habitation. A survey in 2011 indicated that a high proportion of homes in the District (31.7%) fall below official “decency standards” in terms of state of repair, facilities and thermal comfort. In 2013,

there were 1,630 vacant properties in Carlisle and 45% of these were long-term vacancies.

18. The City Council plays an important role in facilitating modernisation and replenishment of housing stock through the planning system. Annual completions were in the range 460-499 in the period 2003-2006 and remained above 350 per annum prior to the financial downturn. After 2008 however, with the exception of 2011-12, the number of completions has fallen well below 300. There were, however, over 4,000 planning permissions for new units in 2014 and a recent Housing Market Assessment indicates a requirement for 480 - 565 new homes per annum to meet projected demand.

19. Carlisle's role as a regional shopping destination is significant for the local economy. A recent study suggests that there is a requirement to add at least an additional 18,200 sq. metres of retail floor space in units suitable for new retailers and that some existing units may not be suitable for future retail. This indicates there is a need for some flexibility in the use of current business space in the city centre.

20. Carlisle's green infrastructure provides the city with significant advantages when seeking to attract investment and residents to the city. The economic benefits of green infrastructure are now widely acknowledged and have been set out in Carlisle's Green Infrastructure Strategy and investment in green infrastructure may also contribute to addressing many of the health challenges in the City, some of which are associated with life styles such as the higher than national average mortality rate in the city.

Transport and communications

21. There has been recent investment in physical transport links most notably in completion of the Carlisle Northern Development Route (CNDR) which links the M6 to the A595 to the west of the city. The major routes that radiate northwards from Carlisle cut across the Anglo-Scottish Border (M74 to Glasgow, A75 to Stranraer, A7 to Edinburgh via Scottish Borders). The concept of "economic corridors" is integral to evolving collaboration with policymakers in neighbouring authorities in Southern Scotland and Northumberland (Borderlands Initiative).

22. Rail links are also critical for Carlisle on the West Coast Main Line (WCML). This provides Carlisle with significant locational advantage as a key regional hub on the UK's rail network. The city is also an important hub for rail connections east west through to West Cumbria, South-West Scotland, Newcastle and Leeds via Settle.

23. Limited access and unreliability of broadband within Cumbria as a whole has been identified as a major weakness for businesses and also domestic users. The Connecting Cumbria project aims to introduce superfast broadband to 93% of homes and businesses in Cumbria by the end of 2015. It has been reported that some 114 structures have already been delivered within Carlisle District which has enabled access to fibre to cabinet broadband for over 9,000 premises which would not have been commercially covered, with 2,000 more in progress.

Economic and Demographic Projections

24. Recent projections suggest that Carlisle is likely to experience fairly static population totals through to 2021 (+0.5%) compared with growth nationally above 6%. Equally significantly, it is anticipated that the estimated growth in Carlisle will not be evenly distributed by age group. A decline in the working age (16-64) population of -5.6% is projected against a rise of 18.4% in the 65+ age group.

25. As regards employment some sectors are projected to increase, including agriculture, forestry and fishing, transport & storage as well as public services. By contrast, employment is expected to decline in manufacturing, extractive industries and utilities. As regards output, growth is expected to focus on wholesale and retail, professional services, public services and construction.

1. INTRODUCTION

This report is an update of the economic review of Carlisle which was previously published by Carlisle Partnership in January 2013. The contents of the document reflect the factors that are significant in influencing the economic performance of the City. These include the characteristics of the population, skills and qualifications, the nature of businesses and the markets they serve as well as the quality of infrastructure including transport, communications, housing and employment sites.

The report is intended to stimulate discussion between local partners concerning actions that might help to stimulate positive change for the economy in Carlisle. Carlisle Economic Partnership brings together a range of partners from the private and public sectors that share an ambition to improve the economic well-being of the residents of Carlisle. It is intended that this review and the discussions it stimulates will facilitate stronger collaborative working between organisations and develop a wider city region approach to economic development.

The study brings together information from a number of national data sources, in particular employment and unemployment data available from NOMIS, population data from the Census 2001 & 2011 and annual population estimates, data on enterprises drawn from the Business Register and Employment Survey (BRES) and earnings data from Annual Survey of Hours & Earnings (ASHE). These national series are supplemented by various local sources including data provided by Carlisle Large Employers Affinity Group Action Plan, Cumbria Business Survey 2013, Green Infrastructure Strategy and Cumbria Local Enterprise Partnership (LEP) Evidence Base and Key Priorities 2012 which has been used to define the priorities contained in Cumbria Strategic Economic Plan (SEP) and the European Structural and Investment Fund Strategy (ESIF).

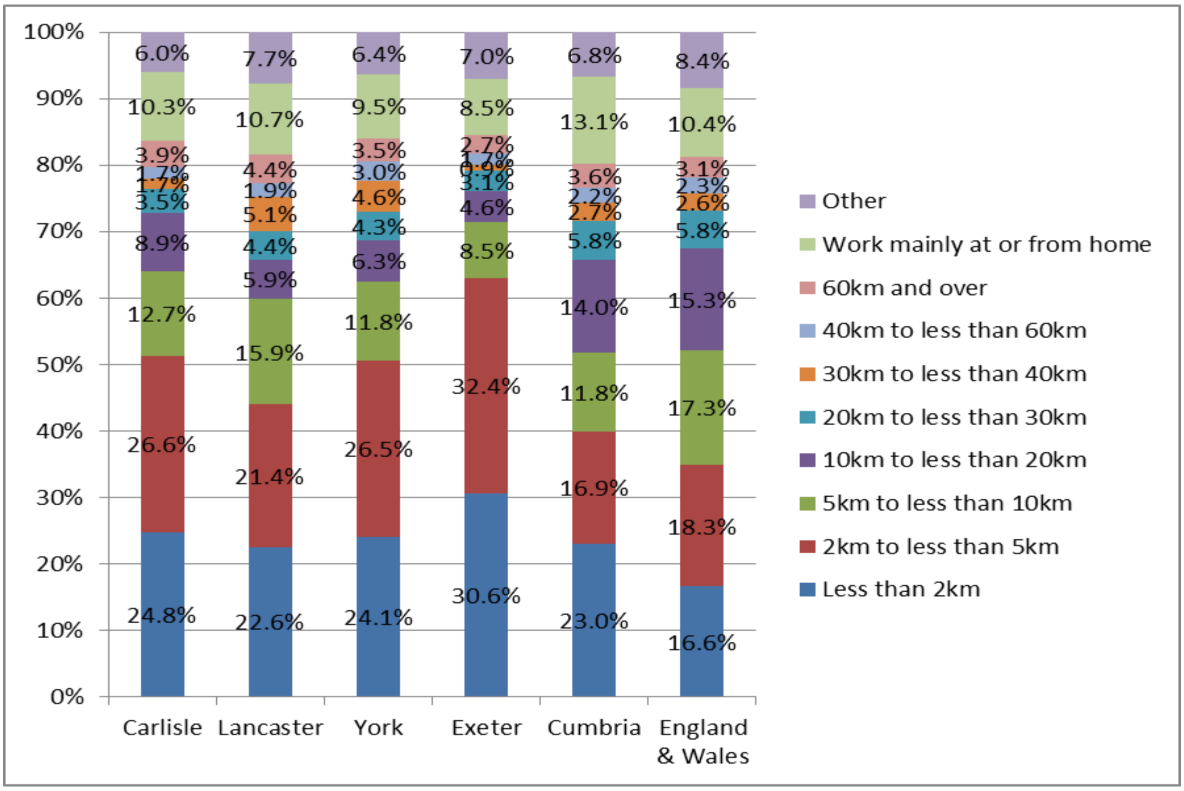
This update of the review retains most of the features contained in the original document. This includes a discussion of the economic catchment of Carlisle and use of data for the cities of York, Lancaster, Chester and Exeter as comparators. This device has been retained even though these cities are very varied and exist in quite different regional settings. They nonetheless provide a means of evaluating the scale and significance of local variations in economic performance.

2. DEFINING THE ECONOMIC GEOGRAPHY OF CARLISLE

Economic activity is largely blind to the boundaries of local administrations and other governance arrangements. While in practice, many economic development policies are defined within such boundaries, there is increasing recognition that local economies generate their own geographies or “functional economic areas” which represent a challenge to policymakers to define actions that reflect this reality. The concept of the city-region is clearly relevant to Carlisle as defined by patterns of commuting, journeys to shop, to study and for recreation as well as business interactions. Each of these may, of course, have different and distinctive geographies which add to the complexity of defining city-regions. The lack of correspondence between functional areas and administrative boundaries has been the subject of considerable discussion recently associated with the Scottish independence Referendum and the level of interaction that occurs on a daily basis across the Anglo-Scottish border.

The most common data used to try to map “functional areas” is derived from journey-to-work tables in the Census. In the 2013 review, the most recent data for 2001 indicated that at that time, the labour market area was fairly self-contained within the District as a high proportion of residents (78%) commuted less than 20km to work. The most recent Census data (2011) shows that this figure has fallen to 73% (See Figure 2.1 and Table 2.1). While this figure is well above the national average (67.5%), compared to benchmark cities, the proportion of Carlisle residents travelling short distances to work is significantly higher compared to Lancaster (66%) and York (69%) but exceeded by Exeter (76%) suggesting that these patterns are quite sensitive to differences in urban structure across regions.

Figure 2.1: TTW distances for working residents (2011)



Source: Census, 2011

Table 2.1: TTW distances for Carlisle working residents (2011)

Distance travelled to work	N	%	Cum %
Less than 2km	13,418	24.8%	24.8%
2km to less than 5km	14,416	26.6%	51.4%
5km to less than 10km	6,857	12.7%	64.0%
10km to less than 20km	4,814	8.9%	72.9%
20km to less than 30km	1,885	3.5%	76.4%
30km to less than 40km	916	1.7%	78.1%
40km to less than 60km	920	1.7%	79.8%
60km and over	2,106	3.9%	83.6%
Work mainly at or from home	5,605	10.3%	94.0%
Other	3,261	6.0%	100.0%

Source: Census, 2011

It is, however, interesting to note that the proportion of residents traveling longer distances to work (over 40km) in Carlisle (4.8%) was very similar to the national average (4.9%) in 2001 and the 2011 Census shows that Carlisle has a slightly higher proportion of longer distance commuters (5.6%) than the average of England and Wales (5.4%). We can conclude, perhaps, that over the ten year period, changes in patterns of journey to work appear to reflect national trends: while most workers have continued to commute relatively short distances, there has been a small but measurable increase in commuting over longer distances.

It is perhaps not unexpected that the majority of people that work in Carlisle also live within the District (38,368). This, after all, will be the case for many local authority areas outside the major conurbations. In terms of defining the economic geography of Carlisle, greater significance should be attached to the volume of flows into the District from neighbouring territories associated with commuting to work and journeys to shop, to access education and leisure.

Data from the 2011 Census of population reveal that there are significant in-flows of commuters across the District boundary on a daily basis. In total, the Census records 12,348 journeys to work into Carlisle from other UK Districts. This represents around 24% of Carlisle's workforce. Some of these journeys to work are regional in scale including commuters from local authorities within Greater Manchester (115) and Tyne and Wear (204). The largest flows, however, are from neighbouring authorities (Table 2.2) including significant numbers from Allerdale (3,832), Eden (2,082) and across the Scottish Border from Dumfries and Galloway (2,197).

Table 2.2: Commuting to/from Carlisle District and neighbouring authorities 2011

2011 Census	Place of work					
Usual residence	**Allerdale**	**Carlisle**	**Eden**	**Northumberland**	**D & G**	**Scottish Borders**
Allerdale	25,436	3,832	1,063	7	46	5
Carlisle	1,337	38,368	2,401	195	767	26
Eden	578	2,082	14,630	105	60	4
Northumberland	22	627	137	74,442	29	862
D & G	63	2,197	94	23	46,767	101
Scottish Borders	5	133	11	1,083	91	31,403

Source: Census of Population 2011 Travel to work data accessed via NOMIS

Data that captures other types of journey are less widely available. However, the Lanes Shopping Centre Market Research (2011) analysed data from the 2010 National Survey of Local Shopping Patterns (NSLSP) to assess the retail catchment of Carlisle. This analysis suggested that the principal non-food catchment area of Carlisle contains a resident population of around 333k structured as follows:

- A Primary segment with a resident population of 124k mainly within the District but extending across the Scottish border.
- A Secondary segment including Penrith and other areas to the south of Carlisle (83k)
- A Tertiary segment extending into West Cumbria including Workington, Whitehaven and rural areas to the south east and north (126k).

The study estimated the level of retail penetration into these segments indicating a total "non-food" catchment of 177k shoppers. The study notes that there will be some "retail leakage" as residents of Carlisle may choose to shop elsewhere. The study suggests, however, that levels of retention will be high within Carlisle (73% penetration) with substantial flows into Carlisle from the secondary (54% penetration) and tertiary segments (20%). These estimates suggest that Carlisle has a considerable "pull-in" effect on shoppers from neighbouring areas.

Related and slightly updated evidence in the form of the GVA Carlisle Retail Study (2012) supports these broad findings and reaffirms that the comparison (non-food) retail offer and to some extent leisure offer in the city centre, reflects its sub-regional status. Viewed in conjunction with data on journey to work, evidence therefore suggests that Carlisle has a significant impact on the economy of neighbouring territories beyond the district boundary.

3. ECONOMIC AND DEMOGRAPHIC CONTEXT

3.1 Population

The population recorded for Carlisle in the 2011 census was 107,524, an increase of 6,782 persons (+6.7%) since the previous Census in 2001. Table 3.1 shows that Cumbria as a whole has well above average population over 65 and below average proportion in age group 0-15. Carlisle itself reflects these differences but the situation is less marked. Young people under the age of 15 represent around 17% of the total population compared with the national average of nearly 19%. Those aged over 65 constitute 18.5% of the population compared to 16.5% nationally.

Table 3.1: Population totals and age structure 2011

	Total	0 to 15	%	16-64	%	65+	%
Carlisle	107,524	18,482	17.2%	69,145	64.3%	19,897	18.5%
Cumbria	499,858	83,499	16.7%	313,470	62.7%	102,889	20.6%
E & W ('000)	56,075	10,579	18.9%	36,273	64.7%	9,223	16.5%

Source: Census 2011

This trend is also cumulative as can be seen by changes in population structure between 2001 and 2011. The *proportion* of the population in age group -15 has dropped slightly from 18.8% in 2001 to 17.2% in 2011. Equally, the proportion over the age of 65 has increased from 17.9% in 2001 to 18.5% in 2011. The ageing of the population that characterises Cumbria as a whole is clearly reflected in the City also.

Table 3.2: 2001 Population totals and age structure 2001

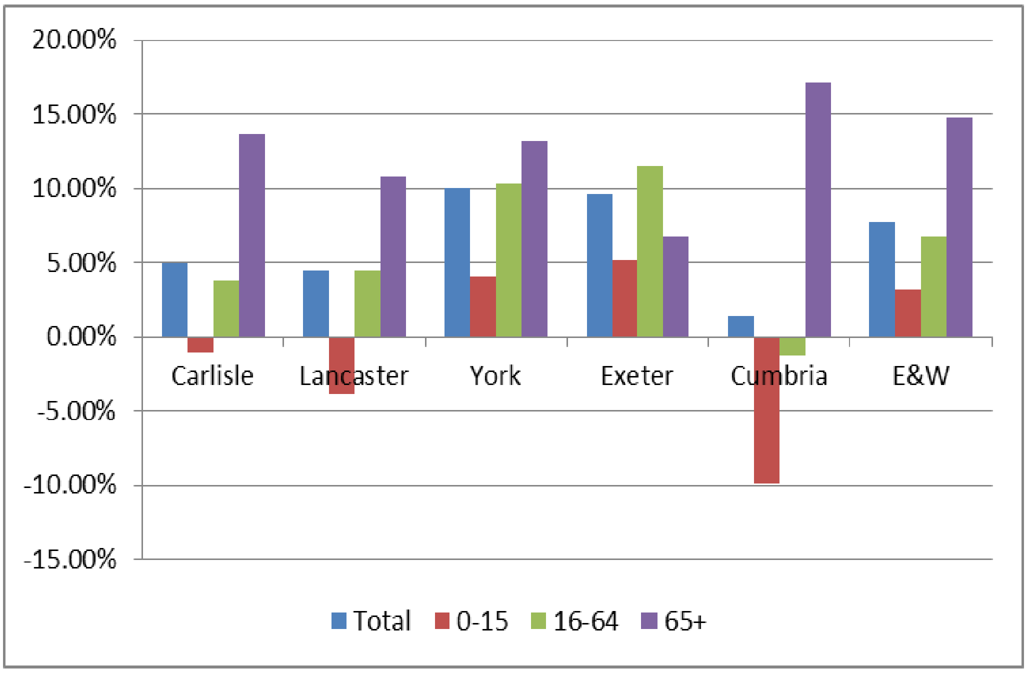
	Total	0-15	%	16-64	%	65+	%
Carlisle	100,742	18,984	18.84%	63,739	63.27%	18,019	17.89%
Cumbria	487,609	91,933	18.85%	306,346	62.83%	89,330	18.32%
E&W ('000)	52,041	10,488	20.15%	33,240	63.87%	8,312	15.97%

Source: ONS 2001 Census

Data from the Annual Census of Population confirms that over the past ten years (2003-13), Carlisle has experienced steady population growth of around 5% (a net increase of 5,100) (See Figure 3.1). This rate of growth is lower than the England and Wales average which saw an increase of 7.7% in the same period. While steady population growth can be viewed positively as a sign of economic vitality, closer examination of the structure of population change suggests some caution in drawing this conclusion. The population of Carlisle may be growing but it is also "ageing". In this time period, there has been an absolute fall in the number of 0-15 year olds (-1.1%) compared with national growth of 3.1%. Carlisle's working age population (16-64) has been growing (+3.8%) but much slower than national norms

(+6.1%). By comparison, the population over 65 has grown significantly by 13.7%. Figure 3.1 also shows that whilst the problem of population ageing is much more evident in the data for Cumbria as a whole and also for Lancaster this issue is not a prominent feature of change in other benchmark cities of York and Exeter.

Figure 3.1: population change by age 2003-2013



Source: ONS Mid-Year Estimates (adjusted for 2011 Census)

Population change has complex causes but the Census provides some evidence regarding the processes that generate these patterns. The Census records “one year” migration by comparing current residence with one year previous to the Census date. In that year (2010-11) there was an inflow of migrants to Carlisle of 3,867 persons compared to an outflow of 3,067 producing a relatively small net increase of 800. The largest category involved in-migration of 580 persons from outside UK. Carlisle also experienced a net increase in population as a consequence of net migration with neighbouring authorities particularly from Allerdale (+97) and Eden (+105). This contrasts with a net loss of population to northern cities of Newcastle (-71), Manchester (-40) and Leeds (-22).

3.2 The Labour Market characteristics of Carlisle

This section reviews the characteristics of the labour market of Carlisle drawing comparisons with benchmark cities and national averages as appropriate. Latest data from the Annual Population Survey confirm that Carlisle has a working age resident population of around 66,000 which is smaller than the benchmark cities (Table 3.3). The economic activity rate (i.e. % 16-64 year olds who are economically active) of Carlisle is 78% which is comparable with York (78%), lower than Exeter (82%) but considerably higher than Lancaster (71%). The proportion of working age population in employment is relatively low in Carlisle (57.9%) though this is partly compensated by above average numbers who are self-employed (12.7% in Carlisle compared to only 7.1% in York, 7.9% in Lancaster and 8.5% in Exeter).

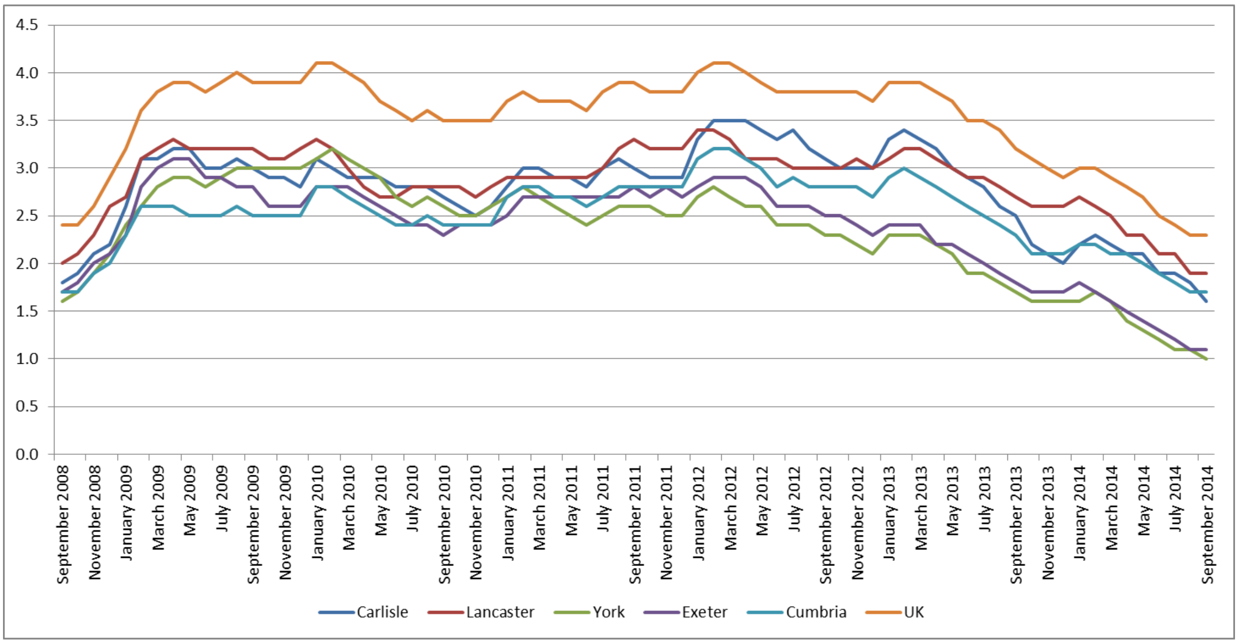
Table 3.3: Working age population (Jul 2013-Jun 2014)

	Carlisle	Lancaster	York	Exeter
Working age population (16-64)	66,000	91,300	142,200	78,100
% 16-64 who are economically active	51,500	64,700	111,100	64,200
	78.0%	70.9%	78.1%	82.2%
% 16-64 are employed	38,200	54,400	95,000	55,000
	57.9%	59.6%	66.8%	70.4%
% 16-64 are self employed	8,400	7,200	10,100	6,600
	12.7%	7.9%	7.1%	8.5%
% 16-64 economically inactive	14,500	26,600	31,100	13,900
	22.0%	29.1%	21.9%	17.8%

Source: Annual Population Survey (2014) (NB: this is a sample survey and figures may differ from Census)

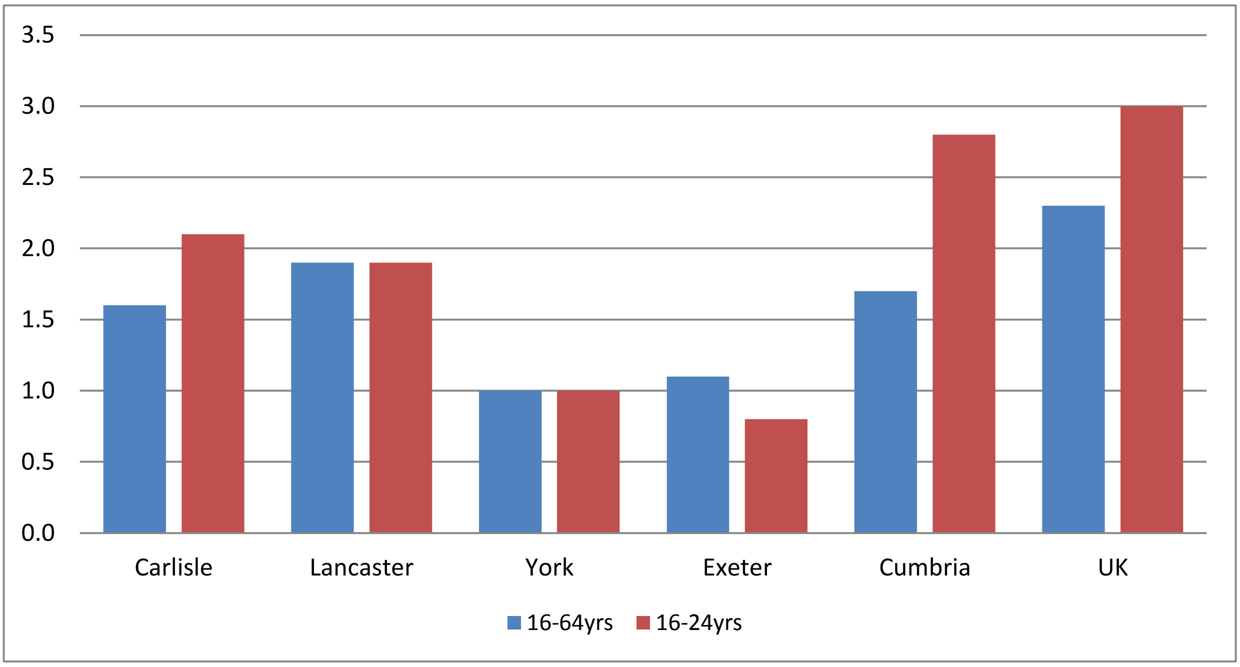
Historically claimant unemployment rates in Carlisle have been below the UK and regional average. Carlisle's claimant unemployment rate in August 2014 was 1.8% (1,225 people) which is below the national rate of 2.3% but above the average for Cumbria (1.7%). The rate has risen slightly from the pre- recession level of 1.7% but has fallen in the last two years from a high point of 3.5% in Feb 2012 (see Figure 3.2). The overall claimant rate and youth unemployment rates in Carlisle are below the county and national average. Nevertheless, youth unemployment is persistently higher than in other age groups and presents a challenge to employers and to training, education and advice providers (Figure 3.3).

Figure 3.2: JSA Claimant rate Sept 2008 to Sept 2014



Source: ONS via NOMIS

Figure 3.3: Youth unemployment rates, Sep 2014



Source:ONS via NOMIS

3.3 Employment Structure of Carlisle

Table 3.4 shows the structure of employment in Carlisle in 2013 in contrast to benchmark cities. In terms of employment totals, key sectors for Carlisle include health (16.7%), retailing (11.8%), manufacturing (10.3%) and transport and storage (8.1%). There are broad similarities with benchmark cities, reflecting their role in providing public and private services to regional populations. Retailing is a significant employer in all cases as is the case for health. There are differences, however, that reflect specialisms that have evolved arising from past investment decisions. Carlisle, for instance, has a significantly higher level of employment in manufacturing and transport & storage compared to others. Carlisle also generally has lower levels of employment in higher value services such as information & communication, finance & insurance, professional, scientific & technical services as well as in education services.

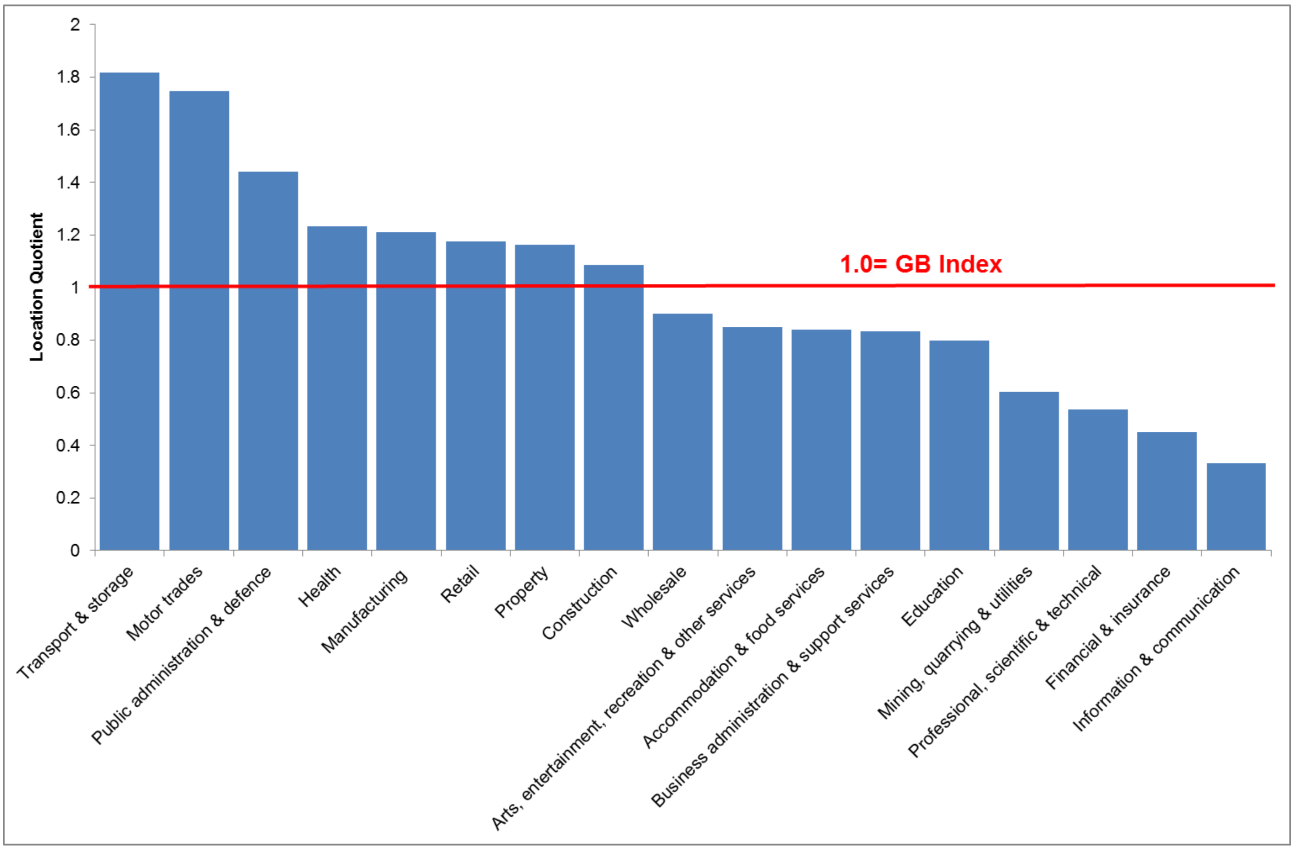
Table 3.4: Structure of Employment in Carlisle 2013

	Carlisle		Lancaster	York	Exeter
	N	%	%	%	%
1 : Agriculture, forestry & fishing	114	0.2	0.1	0.0	0.0
2 : Mining, quarrying & utilities	425	0.8	3.7	0.5	3.1
3 : Manufacturing	5,604	10.3	5.1	3.9	3.2
4 : Construction	2,594	4.8	4.9	3.4	3.7
5 : Motor trades	1,670	3.1	1.7	1.4	2.4
6 : Wholesale	1,988	3.6	2.8	2.6	3.1
7 : Retail	6,437	11.8	10.2	12.2	10.2
8 : Transport & storage (inc postal)	4,407	8.1	4.6	8.6	3.1
9 : Accommodation & food services	3,218	5.9	8.4	9.4	5.4
10 : Information & communication	731	1.3	1.9	2.5	3.7
11 : Financial & insurance	914	1.7	1.9	4.2	3.2
12 : Property	1,068	2.0	1.7	1.8	2.1
13 : Prof, scientific & technical	2,311	4.2	4.1	7.1	7.3
14 : Business admin & support	3,825	7.0	7.3	5.5	6.1
15 : Public administration & defence	3,809	7.0	3.2	5.4	8.9
16 : Education	4,151	7.6	15.6	11.8	10.6
17 : Health	9,125	16.7	18.4	15.2	20.0
18 : Arts, enter, recreation & other	2,102	3.9	4.3	4.5	3.9
Column Total	54,494	100.0	100.0	100.0	100.0

Source: ONS Business register Employment Survey (BRES) NB Data excludes farm employment and self-employed

Using the same dataset, Figure 3.4 shows how the industrial structure of workplace employment in Carlisle varies from the national picture by using location quotients. Sectors above the red line are those where Carlisle has relatively more employees than the Great Britain average and those below are ones where the area has relatively fewer. It can be seen from this that Carlisle has relatively more employees in motor trades, transport, public administration, manufacturing and retail but relatively fewer in business support, finance, IT and professional & scientific services.

Figure 3.4: Concentration of employment in Carlisle by sector compared to GB, 2013



Source: BRES 2013 NB Data excludes farm employment and self-employed

In terms of change over time, the employment performance of Carlisle since 2009 has been quite positive with growth overall of 4.1% (Table 3.5). This is considerably better than Cumbria as a whole and also the Great Britain average. Rates of change vary considerably between sectors, however. Significant growth has been recorded, in particular, in the health sector (+1,454) and in transport & storage (+881). In contrast, there have been falls employment in accommodation & food (-520), construction (-431), arts & entertainment ˎ 388) and information & communication (-339).

Table 3.5: Employees in employment 2013 and change from 2009

	Carlisle		% Chg from 2009		
	Employees 2013	Chg from 2009	Carlisle	Cumbria	GB
Agriculture, forestry & fishing	114	11	9.6%	15.2%	-5.7%
Mining, quarrying & utilities	425	193	45.4%	-13.6%	8.8%
Manufacturing	5,604	-247	-4.4%	3.0%	-3.4%
Construction	2,594	-431	-16.6%	-7.6%	-11.2%
Motor trades	1,670	-67	-4.0%	2.5%	5.8%
Wholesale	1,988	-138	-6.9%	3.5%	0.3%
Retail	6,437	-91	-1.4%	-8.9%	-2.2%
Transport & storage	4,407	881	20.0%	11.9%	-1.6%
Accommodation & food services	3,218	-520	-16.2%	-5.5%	6.6%
Information & communication	731	-339	-46.4%	-26.4%	6.6%
Financial & insurance	914	-138	-15.1%	-18.2%	-3.7%
Property	1,068	-22	-2.1%	-15.1%	6.8%
Professional, scientific & technical	2,311	267	11.6%	17.5%	12.2%
Business admin & support services	3,825	552	14.4%	-3.8%	10.6%
Public administration & defence	3,809	722	19.0%	3.4%	-11.6%
Education	4,151	552	13.3%	12.9%	3.4%
Health	9,125	1,454	15.9%	7.7%	7.0%
Arts, enter, recreation & other	2,102	-388	-18.5%	-9.2%	1.8%
Column Total	54,494	2,250	4.1%	0.3%	2.0%

Source: ONS Business register Employment Survey (BRES) NB Data excludes farm employment and self-employed

Workplace figures on occupations are not available but the Census 2011 provides data on the occupations held by residents in Carlisle (see Table 3.6). The structure reflects Carlisle's manufacturing heritage with skilled trades and process workers representing a higher proportion of the workforce than England & Wales and other comparator areas. Plant, process and machinery occupations represent 11.8% compared to 7.2% for the UK, while 13.7% of residents are employed in skilled trades compared to 11.5% in England & Wales. The proportion of employees involved in management or senior positions combined with the proportion of people involved in professional occupations however is relatively low (21.4% compared with a UK average of 29.2%). The gap widens further if associate professional staff are included (30.7% Carlisle against 40.9% for E&W). This can be illustrated using a location quotient indexed on the England & Wales proportion of employed residents (Figure 3.5). This confirms that compared to the England and Wales average, Carlisle has more residents whose occupations are classified as process workers, skilled manual and sales but a lower representation in managerial and professional categories.

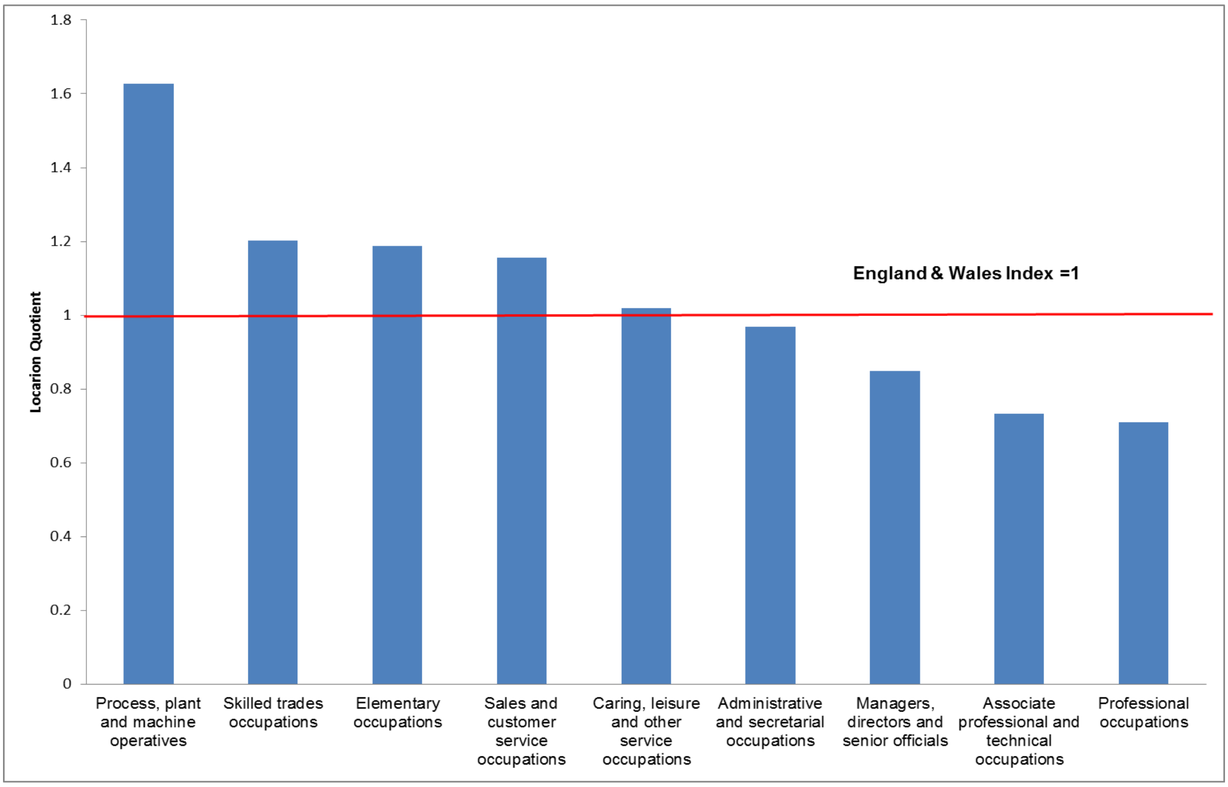
Clearly this presents some issues when considering residents' salaries, disposable income and spending power. The relative lack of opportunities in senior management and professional roles may also be an issue in attracting new businesses and in persuading professional people to move into the area, particularly if employment is require for dual-income households.

Table 3.6: Occupations of resident population, 2011

	Carlisle		Lancaster	York	Exeter	Cumbria	E & W
	No	%	%	%	%	%	%
Managers, directors and senior officials	4,925	9.1	9.3	10.5	8.4	10.3	10.8
Professional	6,638	12.3	18.1	20.1	19.2	14.0	17.4
Associate professional & technical	5,010	9.3	10.8	12.1	11.6	9.7	12.7
Administrative & secretarial	5,978	11.1	9.7	10.4	11.3	9.8	11.4
Skilled trades	7,402	13.7	12.3	10.0	10.2	16.2	11.5
Caring, leisure & other services	5,164	9.6	12.1	9.1	9.7	9.7	9.4
Sales & customer service	5,267	9.8	8.9	10.4	11.1	8.6	8.4
Process plant & machine operatives	6,366	11.8	6.9	5.7	5.9	9.4	7.2
Elementary	7,124	13.2	12.0	11.7	12.5	12.4	11.1
All Occupation	53,874						

Source; ONS Census 2011

Figure 3.5: Concentration of Carlisle residents' occupations compared to E&W, 2011

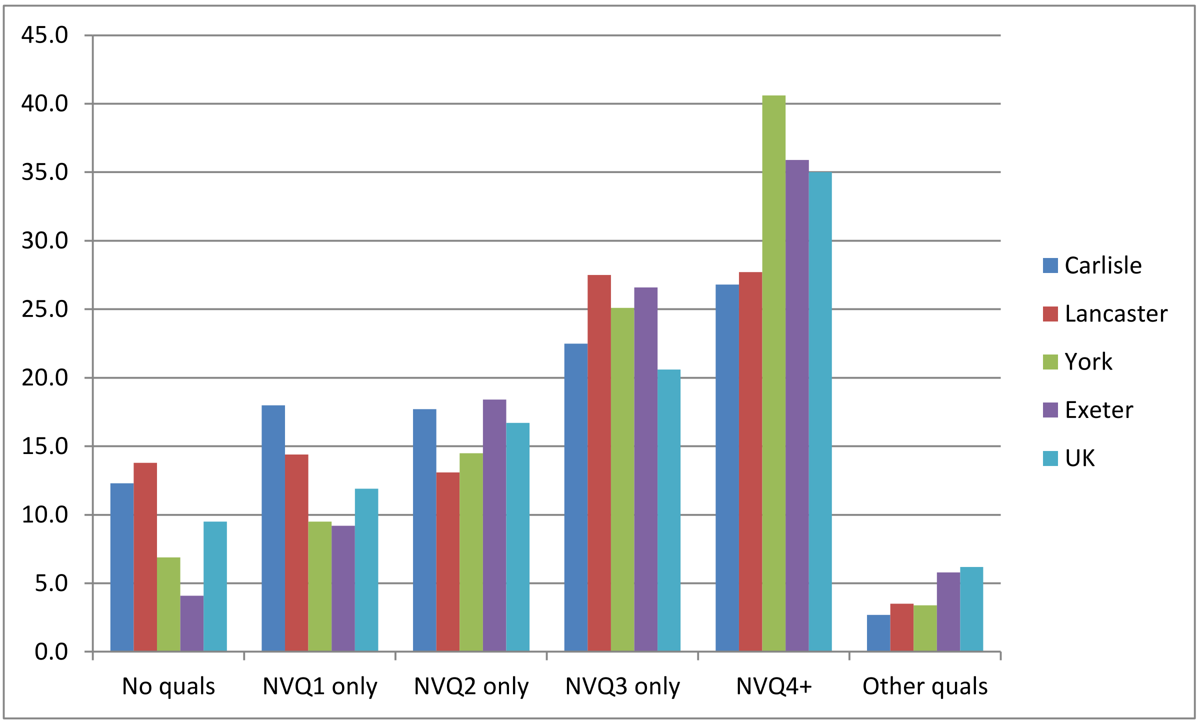


Source: ONS Census 2011

3.4 Skills, Qualifications and Earnings

The structure of employment not only has an influence over occupational mix but also affects the range of skills and qualifications in the population. In contrast to York, Exeter and the UK average, Carlisle has a significantly higher proportion of residents with low level qualifications and a lower proportion qualified at or above NVQ4 (Figure 3.6). These labour market characteristics, in turn, have implications for levels of average wages. Table 3.7 shows that Median full time gross weekly pay for Carlisle residents during 2013 was £435 which is significantly lower than the national average of £517. This difference is apparent for both males and females and also for residents and workplaces in Carlisle (Figure 3.7).

Figure 3.6: Highest qualification level of economically active population, 2013



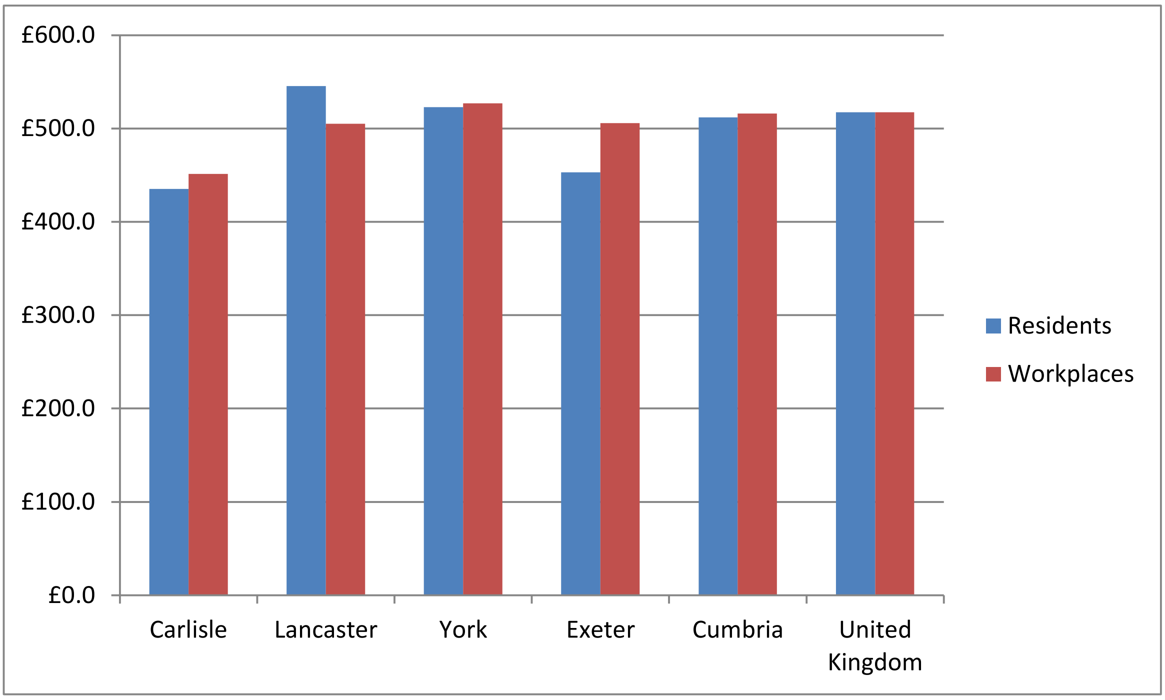
Source: ONS Annual Population Survey (2013)

Table 3.7: Median full time gross weekly earnings, 2013

	Carlisle	Lancaster	York	Exeter	Cumbria	UK	Carlisle as % UK
Residents							
All Full Time	435.1	545.4	523.0	453.1	511.9	517.5	84.1%
Male Full Time	481.7	561.6	542.1	486.8	552.2	556.0	86.6%
Female Full Time	388.0	428.1	445.2	408.2	436.4	458.8	84.6%
Workplaces							
All Full Time	451.3	504.9	527.0	505.8	516.1	517.5	87.2%
Male Full Time	503.5	545.2	558.5	534.0	564.9	556.0	90.6%
Female Full Time	399.4	461.3	420.7	454.3	436.6	458.8	87.1%

Source: ONS Annual Population Survey (2013)

Figure 3.7: Residence v workplace median gross weekly earnings, 2013



Source: ONS, Annual Survey of Hours and Earnings (ASHE) (2013)

This analysis of skills, qualifications and wage levels appears to be consistent with a view that some segments of the local economy of Carlisle display a "low skills, low wage equilibrium". However, local labour markets are complex and also subject to external pressures and internal forces that induce change. An indication of the dynamic nature of the skills market in Carlisle is provided by data from the Cumbria Business Survey 2013. Businesses were asked about levels of skill in their current workforce. Thirteen percent of respondents indicated dissatisfaction, stating that their workforce was not as wholly skilled or competent as the business would like it to be. The specific areas where skills gaps were noted were very varied encompassing technical, practical and sector specific skills as well as customer handling, oral communications and written communications. In terms of functions, skills in use of IT, sales and marketing were commonly identified. Although the sample size was relatively small, this picture was reflected in other areas of the county and also in other research within Cumbria (such as LEP Expert Groups) which also point to particular issues recruiting graduates and staff with higher level skills.

It is also of interest to gauge how employers approach the process of skills formation within their business. The Cumbria Business survey provides some evidence to suggest that recruitment of experienced workers is a preferred option. When asked from which groups Carlisle businesses prefer to recruit when they have a vacancy, the most common response focused on experienced workers (62%). Recruiting from the unemployed (34%) or from school leavers (29%), apprentices (28%), graduates (26%) or workers from overseas (18%) were less preferable.

4. ECONOMIC AND BUSINESS STRUCTURE

4.1 Business Structure

The main administrative source for estimates on the number of businesses is the Inter Departmental Business Register (IDBR) which utilises VAT trader and PAYE employer data. The data used in this section relate to “enterprises” defined as the smallest combination of legal units which has a degree of autonomy. According to the 2013 IDBR, there were 3,945 enterprises in Carlisle (comprising 4,985 local units). Table 4.1 shows the structure of these enterprises across different sectors of the economy. The highest number, 785, was in agriculture, forestry & fishing, followed by 485 in construction, 355 in professional, scientific and technical services and 305 in retailing.

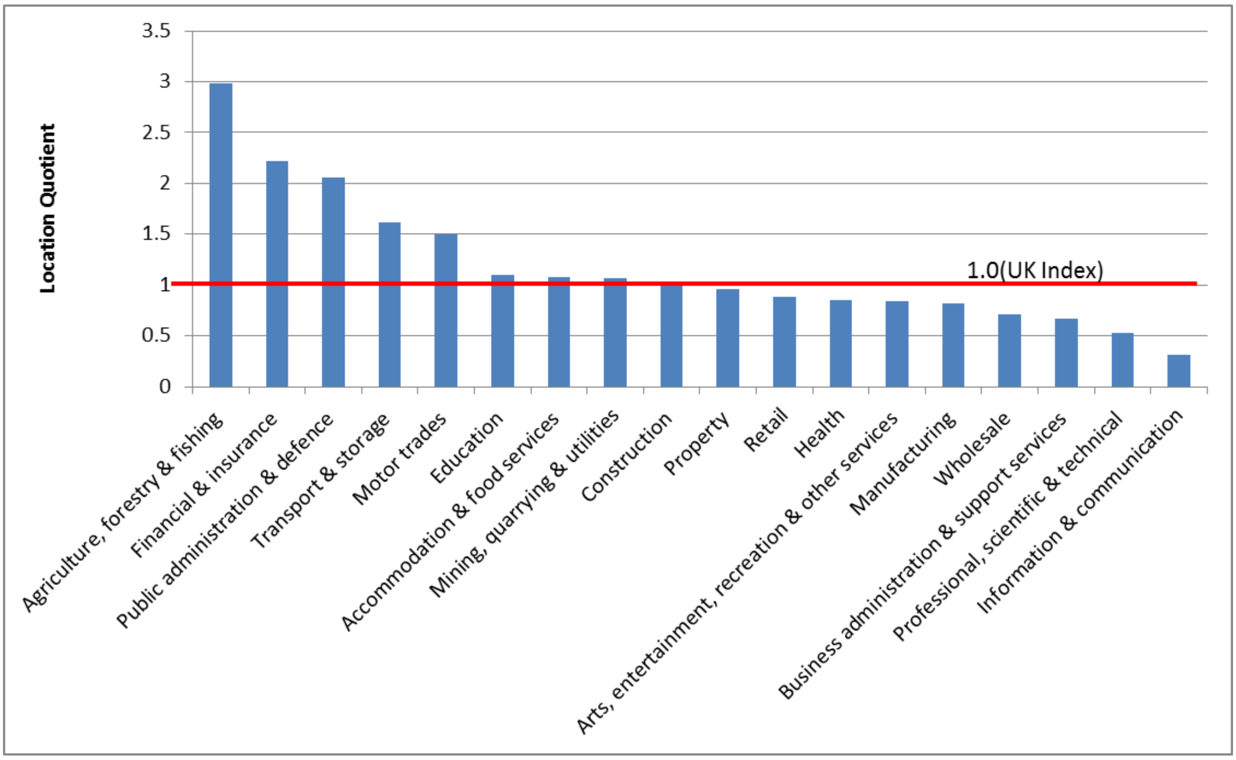
Table 4.1: VAT/PAYE Enterprises and Local Units in Carlisle, 2013

	Enterprises		Local Units	
	No	%	No	%
Agriculture, forestry & fishing	785	19.9%	815	16.3%
Manufacturing	190	4.8%	220	4.4%
Construction	485	12.3%	500	10.0%
Motor trades	185	4.7%	225	4.5%
Wholesale	135	3.4%	205	4.1%
Retail	305	7.7%	590	11.8%
Transport & storage	200	5.1%	245	4.9%
Accommodation & food services	255	6.5%	325	6.5%
Information & communication	95	2.4%	110	2.2%
Financial & insurance	185	4.7%	230	4.6%
Property	140	3.5%	170	3.4%
Professional, scientific & technical	355	9.0%	380	7.6%
Business administration & support services	175	4.4%	240	4.8%
Public administration & defence	20	0.5%	65	1.3%
Education	70	1.8%	125	2.5%
Health	140	3.5%	240	4.8%
Arts, entertainment, recreation & other services	225	5.7%	300	6.0%
Total	3,945		4,985	

Source: Office for National Statistics, IDBR (2013)

Figure 4.1 shows how this distribution of enterprises by sector varies from the national picture by using a location quotient. Sectors above the red line are those where Carlisle has relatively more enterprises than the UK and those below are those where the area has relatively fewer. It can be seen from this that Carlisle has almost three times the national average of enterprises in the agriculture sector, more than twice as many in finance and insurance and almost twice as many in public administration. At the other end of the scale, Carlisle has less than half the concentration of information and communications enterprises and half the concentration in professional, scientific and technical enterprises.

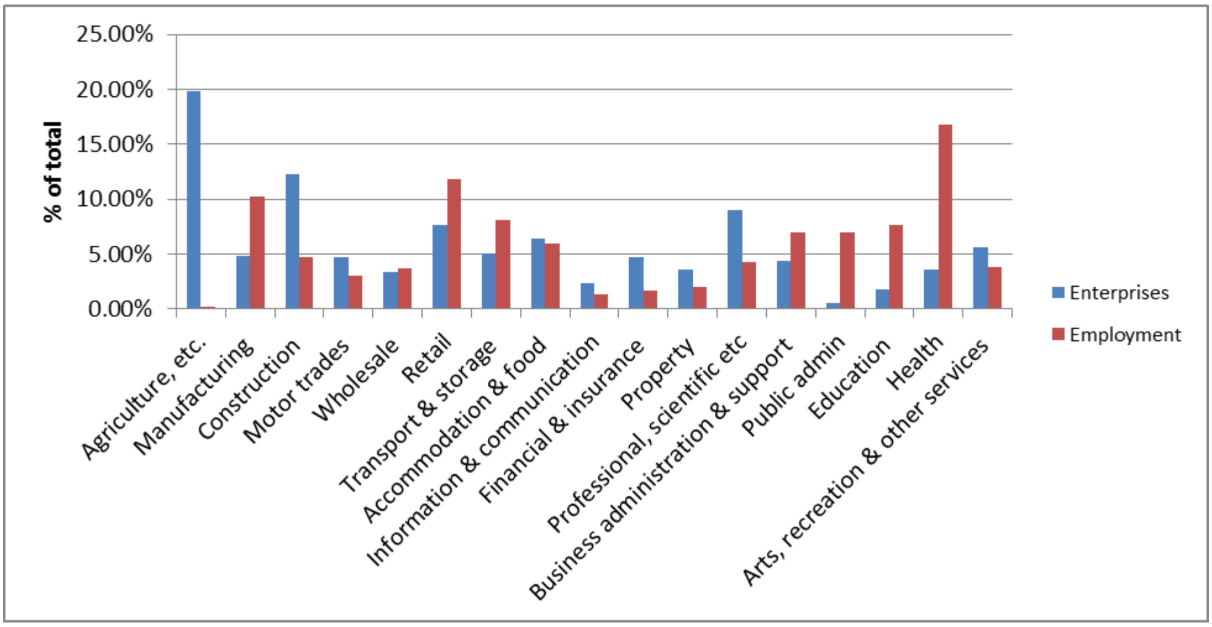
Figure 4.1: Distribution of enterprises in Carlisle across sectors compared to UK, 2013



Source: Office for National Statistics, IDBR (2013)

When the distribution of employment is set alongside the distribution of enterprises, it can be seen that a small number of enterprises in some sectors are responsible for a large proportion of employment (Figure 4.2). This potentially makes sections of Carlisle's workforce vulnerable to decisions taken by a few organisations. This is especially evident in retail, transport and storage, business administration, public administration, education and health. On the other hand, enterprises in the agriculture, construction, accommodation and food, information and communication, finance and professional, property and arts sectors account for a much lower relative proportion of employment, reflecting the small size of enterprises in these sectors.

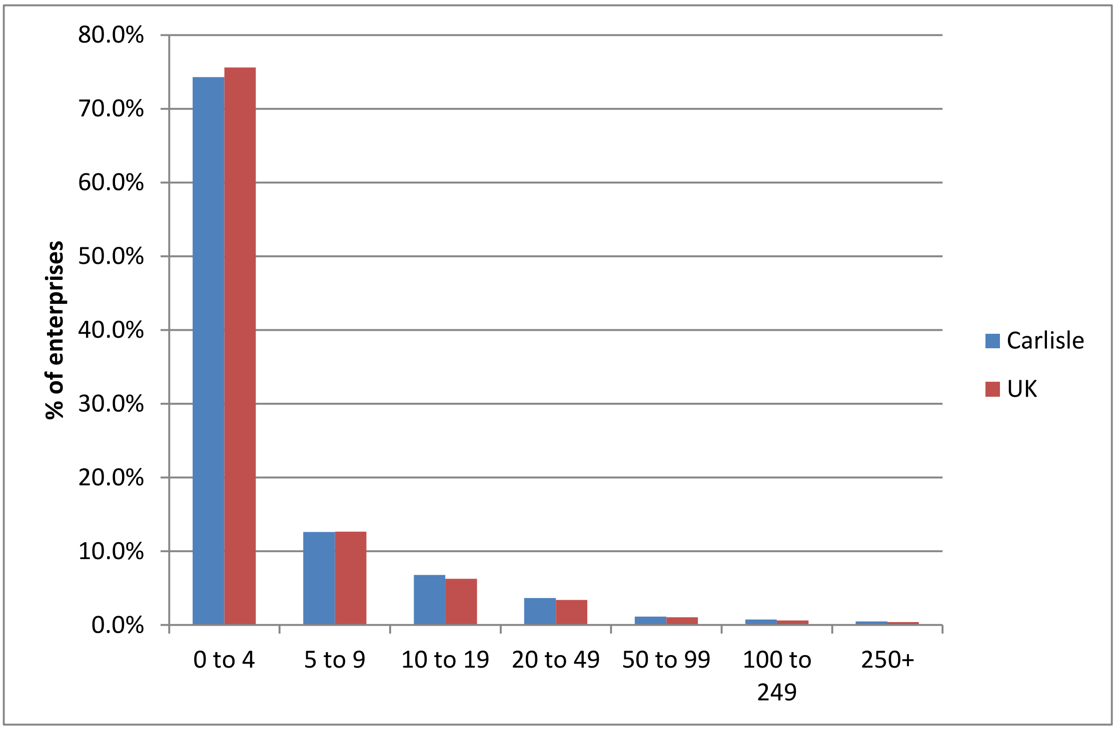
Figure 4.2: Enterprise and employment by sector as proportion of total, 2012/2013



Source: ONS BRES and IDBR(2013)

The vast majority of VAT/PAYE enterprises in Carlisle, and indeed nationally, employ fewer than 5 people (74.3% in Carlisle, 75.6% in the UK) (See Figure 4.3). At the higher end of the scale, Carlisle has slightly more large businesses (250+) than the national average but the difference is not major. Overall, 99.5% of enterprises in Carlisle are SMEs (employing fewer than 250 people) compared to 99.6% nationally.

Figure 4.3: VAT/PAYE enterprises by employment size, 2013



Source: Office for National Statistics, IDBR (2013)

4.2 New Business Formation

The VAT /PAYE data can be used to give an indication of the rate of new firm formation. This data only relates to situations where businesses first register for VAT or begin to employ workers. It does not, therefore, capture the dynamics of microbusiness below the VAT threshold. It is also the case that when businesses register for VAT, they may have been trading for several years prior to that point in time. Even so, this data gives some indication of the level of dynamism in the small business sector.

Table 4.2 shows that the rate of new VAT registration in Carlisle, and Cumbria as a whole, is significantly lower than the UK average and this difference persists over the whole period 2009 to 2012. It is also the case, however, that the "death rate" in Carlisle is low, suggesting that in general there is less "churn" – fewer businesses being formed and fewer businesses failing.

Table 4.2: "Births" and "deaths" as a Percentage of Active Enterprises, 2009-2012

Births as % of active enterprises	2009	2010	2011	2012
UK	10.08%	10.00%	11.16%	11.36%
Cumbria	7.91%	6.82%	8.27%	8.97%
Carlisle	8.16%	7.91%	8.01%	8.68%
Deaths as % of active enterprises	**2009**	**2010**	**2011**	**2012**
UK	11.85%	10.57%	9.80%	10.74%
Cumbria	9.31%	9.67%	9.39%	9.47%
Carlisle	10.23%	10.14%	11.67%	9.80%

Source ONS Business Demography (2012)

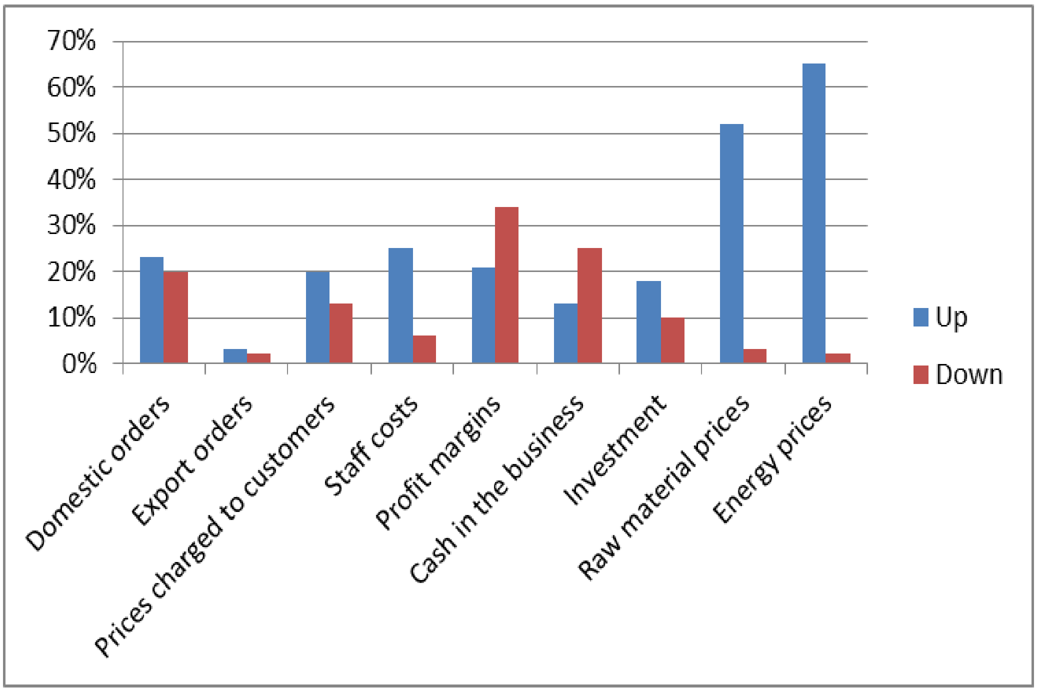
The data can be analysed slightly differently by expressing new registrations at a rate relative to population size. The pattern has some similarities, the rate of new registration in Carlisle is still comparatively low - 42.8 per 10,000 working age population, compared to 50.6 for Cumbria and 63.9 nationally. However, the rate of de-registrations was *above average* in Carlisle (61.6 in Carlisle, 57.3 in Cumbria and 56.2 nationally). However, the "survival" rate to 3 years for businesses first registered in 2008 was higher than the national average (64.8 in Carlisle, 58.0 nationally). This is, in fact, a common feature of many non-metropolitan sub-regions across the UK.

4.3 Recent Business Trends

Official statistics presented above provide a useful means of describing the broad structure of the economy in Carlisle. This data, however, is less suited to assessing business trends and performance. In this context, the Cumbria Business Survey provides a very useful source. Though less comprehensive, it includes information on business performance that cannot be found in other data sources. The Business survey conducted in September 2013 included interviews with private sector businesses in Carlisle.

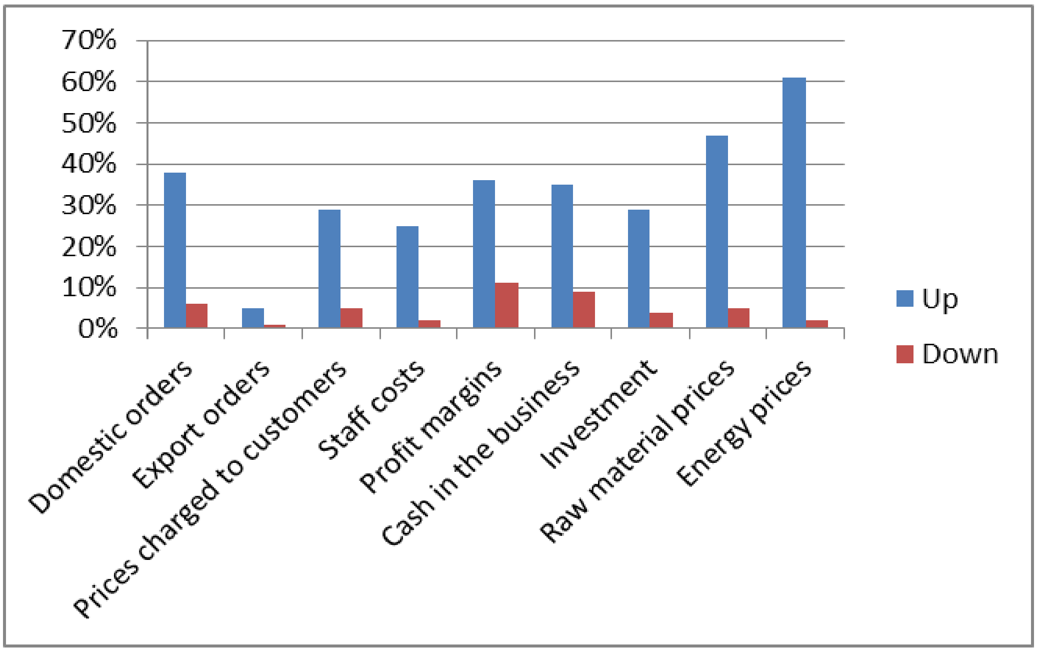
Respondents were asked about business trends in the previous 12 months and the findings demonstrate the difficult economic climate facing businesses (Figure 4.4). This suggests that businesses have generally experienced cost pressures as reflected in raw materials, energy prices and staff costs. This seems to correlate within lower “cash in the business” for many and squeezed “profit margins”, although there are clearly some businesses that have been successful in increasing profit even in a generally difficult business environment. As Figure 4.5 shows, businesses were generally optimistic about future trends and most of the respondents anticipated growth in profit, domestic orders and investment.

Figure 4.4: Business trends in Carlisle in the past 12 months (2013)



Source: Cumbria Intelligence Observatory, Cumbria Business Survey (2013)

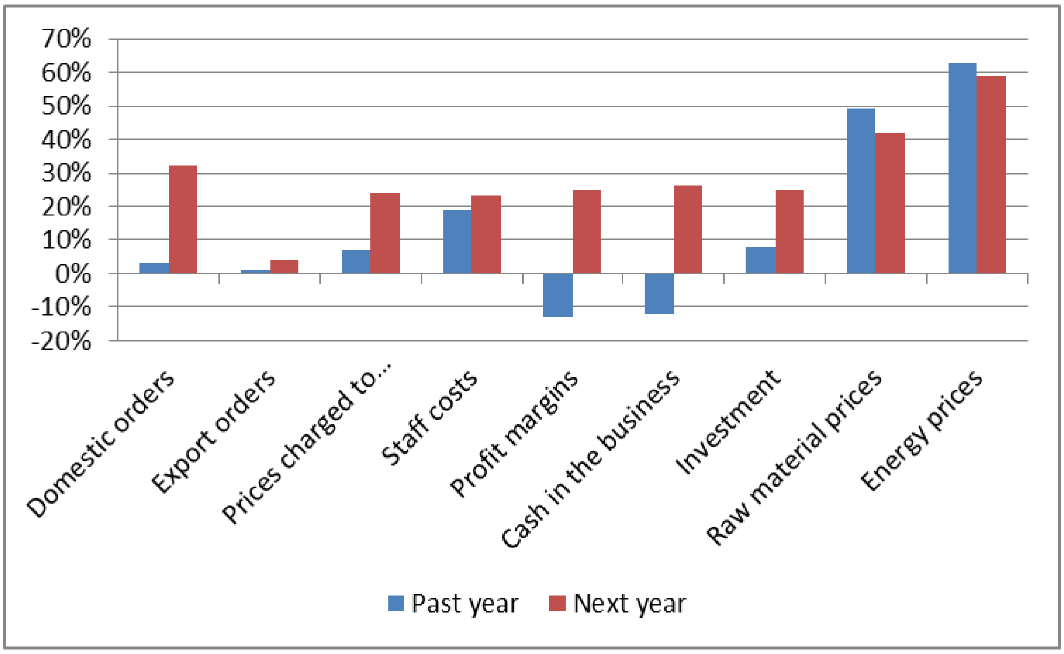
Figure 4.5: Anticipated business trends in the next twelve months (2013)



Source: Cumbria Intelligence Observatory, Cumbria Business Survey (2013)

Figure 4.6 summarises the balance of businesses reporting higher/lower trends for the past 12 months and the balance anticipating changes in the next 12 months. In general, businesses appeared to be slightly more optimistic about the following year than had been their experience in the previous year. The main exception was staff costs where the balance of businesses expecting them to rise was higher.

Figure 4.6: Balance of businesses reporting higher/lower trends, 2013



Source: Cumbria Intelligence Observatory, Cumbria Business Survey (2013)

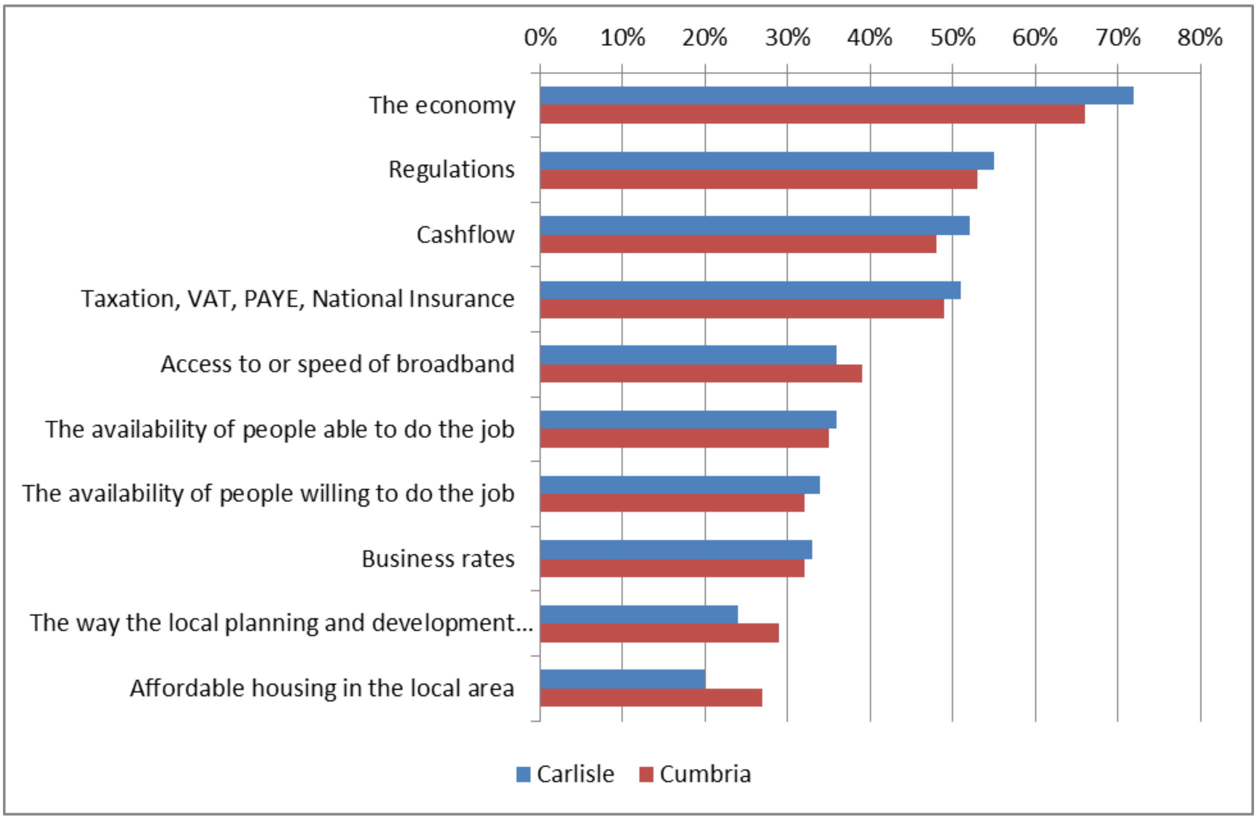
Costs had increased in the previous 12 months for the vast majority of businesses in Carlisle and were expected to do so again in the following 12 months. The most frequently experienced increases were in energy, raw materials and transport. Energy costs were most likely to be a factor in primary industries, manufacturing and accommodation & food services while the construction sector was most likely to have experienced increased costs in raw materials and transport.

When asked which of the above factors was the single main upward pressure on their business at the time of the survey, a third of Carlisle businesses said it was energy, followed by almost a quarter identifying the cost of raw materials. Despite property and staff costs having risen and being expected to do so again, these factors were not cited as the main pressure by many businesses. In the light of the issues being reported by businesses, the survey went on to ask businesses about their plans for the coming year.

In recognition of these future plans, businesses were asked about investment intentions and most businesses expected investment to increase. Priorities for investment included spend on buildings, plant and machinery, marketing and business development, training and retraining. A significant minority, however, planned to reduce investment in each of these areas which may reflect lower levels of business confidence in some sectors. However, it could equally be due to the phasing of capital investment projects that can lead to rapid changes from one year to the next.

When questioned as part of the Cumbria Business Survey, Carlisle businesses quoted a number of perceived barriers to business performance and efficiency (Figure 4.7). Most frequently mentioned by businesses in Carlisle were the economy, regulations, cash flow and tax. Over 30% of the businesses also mentioned access to broadband, availability of people able to do the job, availability of people willing to do the job and business rates.

Figure 4.7: Perceived significant barriers to business performance and efficiency, 2013



Source: Cumbria Intelligence Observatory, Cumbria Business Survey (2013)

4.4 Markets and Market areas for Carlisle Businesses

Cumbria Business Survey includes question on the structure and geography of the markets on which respondent businesses depend. Table 4.3 indicates the key customer groups to which businesses in Carlisle provide products and services (caution small sample sizes at district level). This demonstrates that just less than three quarters of businesses in Carlisle sell or provide services to domestic customers. Almost two thirds cited other private sector businesses as a customer group. Tourists were a customer group for 31% of Carlisle businesses.

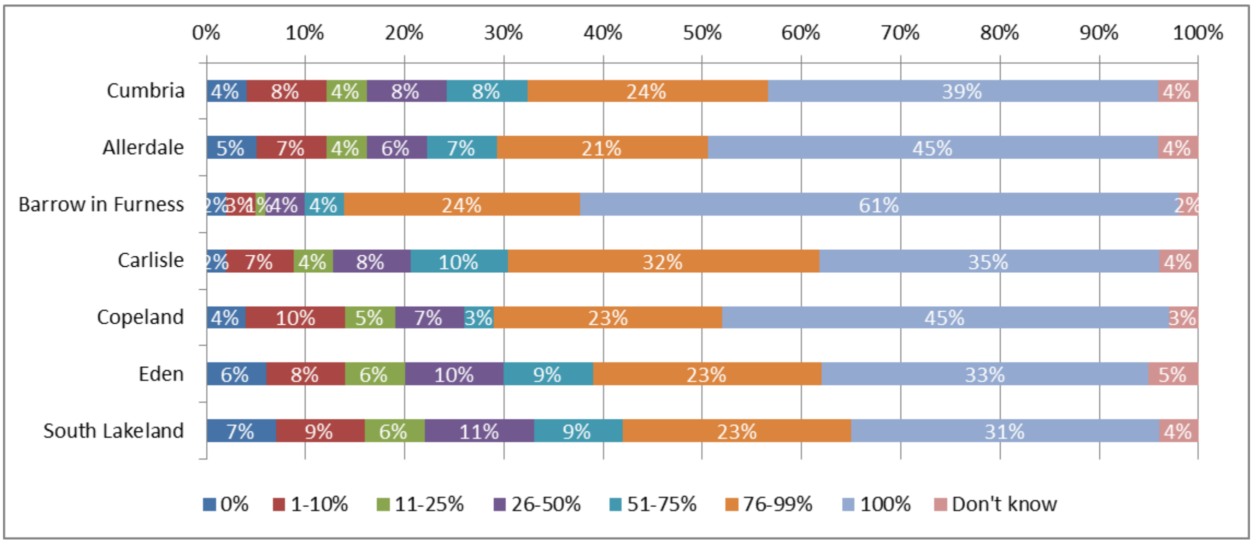
Table 4.3: Customer types, 2013

	Domestic/ individual consumers	Tourists visiting Cumbria	Public sector organisations	Organisations within the nuclear industry	Other private sector businesses
Cumbria	74%	36%	34%	14%	67%
Allerdale	74%	39%	34%	16%	67%
Barrow in Furness	91%	28%	49%	20%	59%
Carlisle	**73%**	**31%**	**39%**	**14%**	**70%**
Copeland	77%	41%	36%	28%	66%
Eden	70%	32%	25%	6%	68%
South Lakeland	72%	40%	31%	11%	68%

Source: Cumbria Intelligence Observatory, Cumbria Business Survey 2013

The survey also indicates the proportion of sales estimated to be within Cumbria and the estimated share of sales in different areas (Figure 4.8 and Table 4.4 respectively). This data indicates that the local market continues to be of prime importance for many Carlisle businesses. By comparison, the average level of sales accounted for by exporting by business in Carlisle is low (only 2.6%). Of course, those businesses involved in export markets are, on average, likely to be larger and more dynamic; hence the proportion of sales involved in exporting will be much higher than this. Even so, this will be true of benchmark areas also and this data therefore seem to suggest that involvement in export markets is generally under-developed within Carlisle businesses.

Figure 4.8: Proportion of sales estimated to be within Cumbria, (2013)



Source: Cumbria Intelligence Observatory, Cumbria Business Survey (2013)

Table 4.4: Estimated mean share of sales (% by area) 2013

	Within Cumbria	North West	Rest of UK	Within EU	Outside EU
Cumbria	70.99	10.68	11.6	1.48	1.42
Allerdale	73.83	9.69	9.8	1.65	2.12
Barrow	85.97	2.98	5.37	1.22	0.98
Carlisle	**73.67**	**8.47**	**10.59**	**1.26**	**1.36**
Copeland	72.54	9.65	10.79	1.99	1.2
Eden	66.74	14.27	15.04	0.6	0.46
South Lakeland	63.94	13.87	14.04	1.89	1.72

Source: Cumbria Intelligence Observatory, Cumbria Business Survey (2013)

4.5 The significance of Tourism demand for Carlisle Businesses

As noted in the previous section, 31% business respondents state that they derive (at least) part of their income from tourism. The significance of tourism for Carlisle businesses can be further assessed using data from the (STEAM) Scarborough Report 2013 (provided by Cumbria Tourism). This study estimates that tourism revenue in the Carlisle City Council area in 2013 was £353m and that this total had increased 8.5% on the previous year (Table 4.5). The methodology also suggests that tourism sustains around 5,000 jobs (FTEs) across the District in accommodation, food & drink, recreation and retailing (Table 4.6). Employment from the sector has also increased by 332 (+7%) between 2012 and 2013.

Table 4.5: Analysis of revenue from tourism for Carlisle

Sector	2012 Revenue (£'s m (ex VAT)	2013 Revenue (£'s m) (ex VAT)	% change
Accommodation	24.48	27.13	10.8%
Food & drink	75.31	81.44	8.1%
Recreation	37.38	40.41	8.1%
Shopping	60.51	65.34	8.0%
Transport	45.85	49.6	8.2%
Total Direct Revenue	243.53	263.92	8.4%
Indirect revenue	82.42	89.65	8.8%
Total	325.95	353.57	8.5%

Source: STEAM Model Cumbria Tourism 2013

Table 4.6: Analysis of Employment from tourism in Carlisle

Sector	2012 Employment (FTE)	2013 Employment (FTE)	% change
Accommodation	729	762	4.5%
Food & drink	1160	1245	7.3%
Recreation	699	750	7.3%
Shopping	850	911	7.2%
Transport	316	339	7.3%
Total direct employment	3754	4007	6.7%
Indirect employment	984	1063	8.0%
Total	4738	5070	7.0%

Source STEAM model 2013

While this growth in revenue and employment from 2012 to 2013 is positive, the STEAM Model also shows compared to pre-recession in 2009, tourism revenue has recovered well (up by 6.7% in 2013) but this appears not to have translated into increased employment opportunities (-2.1%) (See Tables 4.7 and 4.8). There has also been a recorded fall in visitor numbers (-0.7%) and visitor days (-2.3%) which implies a significant increase in spend per visitor. It is not certain what has caused these differences. However, staying visitor numbers have actually grown while day visitors have declined, which may account for the growth in revenue per visitor. The reason why employment may have declined while revenues have increased is less easy to explain, although it could, in part, be due to the increased spend absorbed by the larger accommodation providers that may be able to provide service to increased numbers of visitors without increasing staffing levels (i.e. increase occupancy rates). The number of visitors using serviced accommodation has actually grown by 19.2% since 2009.

Table 4.7: Employment from tourism 2009-2013

	2009	2013	% change
Allerdale	389.8	380.2	-2.5%
Barrow	87.6	93.9	7.2%
Carlisle	331.5	353.6	6.7%
Copeland	132.8	149.1	12.3%
Eden	222.2	251.8	13.3%
South Lakeland	908.1	1008.4	11.0%
Cumbria Total	2072	2237	8.0%

Source: Cumbrian Tourism STEAM model

Table 4.8: Tourism revenue from 2009-2013

	2009	2013	% change
Allerdale	6627	5945	-10.3%
Barrow	1466	1423	-2.9%
Carlisle	5177	5070	-2.1%
Copeland	2142	2183	1.9%
Eden	3672	3898	6.2%
South Lakeland	14298	14286	-0.1%
Cumbria Total	33382	32805	-1.7%

Source: Cumbrian Tourism STEAM model

5. INFRASTRUCTURE AND INVESTMENT

Many of the strengths of Carlisle are closely linked to its physical infrastructure and the quality of its urban and rural environments. Carlisle is a regional city with a Roman and Norman heritage that includes a Norman castle, medieval cathedral and examples of Georgian and Victorian architecture. It also has a significant industrial history associated in particular with textiles, food processing and railway engineering. The city also has an attractive urban core and extensive green spaces. In this section, we review the main characteristics of infrastructure that has particular relevance to economic activities in the City, including a review of deliverables which give an indication of recent investment trends.

At the outset of this section it is important to note that future investment decisions in infrastructure will be made in the context of the emerging Carlisle District Local Plan (2015 – 2030). This provides a framework ensuring an adequate land supply to respond to development needs, as well as the timely delivery of infrastructure to enable the potential of such land to be realised. The Plan sets out a number of principles that will shape the way that Carlisle will develop and allocates land specifically for new employment generating uses. It is expected that this will give the level of certainty required to aid investment decisions within the District. With regards to housing, which is widely acknowledged as a highly significant component of the local economy, the Local Plan seeks to secure a step change in delivery of some 8,475 new homes over the15 year period covered by the Plan.

The Local Plan will itself operate within a wider policy context and including the Cumbria Local Enterprises Strategic Economic Plan which will be a key catalyst for levering additional public and private investment into the region. Such plans and strategies need to be genuinely aligned as part of a clear and consistent long-term plan for Carlisle to aid investment confidence.

5.1 Infrastructure – Employment Sites

Table 5.1 shows the availability of employment land from 2010 to 2014 drawing on the City Council's Employment Land Position Statement October 2014. The forward land supply comprises of those sites with an extant planning permission for an employment related use class and outstanding employment land allocations within the Local Plan. The total amount of land available has remained fairly constant in the range of 84-86 hectares; with the slight reduction in 2011 due to reallocation of use related to construction of the Carlisle Northern Development Route (CNDR). Most of this space (80.2 Ha) is within the urban wards but some is dispersed to rural settlements (Longtown and Brampton).

These employment sites are mainly mixed in character and suitable for a variety of land uses including office use (B1), industry (B2) and storage and distribution (B8). A significant portion, however, has consent for office use only (10.7 Ha). Specific employment sites across urban and rural areas are shown in Table 5.2.

Table 5.1: Employment Land Availability across Urban & Rural Carlisle, 2010-14 (ha)

	Urban			Rural	
	Mixed B1; B2; B8	B1	Total	Mixed B1; B2; B8	Total
10/11	71.5	10.7	81.2	4.00	86.2
11/12	69.5	10.7	80.2	4.00	84.2
12/13	71.4	10.7	82.1	4.00	86.1
13/14	69.5	10.7	80.2	4.00	84.2

(Source: Carlisle City Council Employment Land Position Statement, Oct 2014)

Table 5.2: Employment Land Availability by Site as of 1 April 2014 (ha)

Sites	***Available Land (ha)***
Urban Carlisle	
Parkhouse 1 & 12	2.28
Durranhill Industrial Estate	1
Durranhill Sidings	1.6
Harraby Green Business Park	0.2
Kingmoor Park Business	2.4
Riverside Business Park	0.42
Tyne Street	1.5
Escott Works	0.39
Kingmoor Park North	2.88
Kingmoor Park East	19.33
Kingmoor Park South	3.53
Kingmoor Park Central	2.9
Caldewgate / Shaddongate	0.03
Cleveland Depot	1.03
Morton	8
Brunthill	20
Brunthill (RI)	10
Total Urban Carlisle	***80.2ha***
Rural Carlisle	
Townfoot Industrial Estate Brampton	1.15
Longtown Industrial Estate	0.34
Borders Business Park, Longtown	1.87
Briar Lea Court, Longtown	0.64
Total Rural Carlisle	***4ha***
Grand Total	**84.2ha**

(Source: Carlisle City Council Employment Land Position Statement, Oct 2014)

Recent reviews of employment land conclude that, at least in terms of area (quantum), there is no shortage of space for employment use in Carlisle (see, Carlisle City Council *Annual Monitoring Report 2013-14*). There are issues, however, concerning other aspects that lead to relatively low uptake of land. This is assumed to relate to the appropriateness of sites in terms of size, types of premises and locations. Recent investment and interventions are however seeking to address these issues including LEP sponsored investment in Durran Hill Industrial Estate. Replicating such interventions and increased innovation and flexibility with regards to such sites will be important for future development.

Vacancy rates with regards to existing employment premises in the District have been falling but from fairly high historic levels. Table 5.3 shows that unit vacancy rates rose following the economic downturn to a peak of 17% (2010-11) but recovered to 14% by 2013-14.

Table 5.3 : Employment Sites Unit Vacancy Rates, 2005 to 2014

Year	Urban	Rural	District
05/06	10%	17%	12%
06/07	12%	18%	14%
07/08	13%	18%	13%
08/09	15%	19%	16%
09/10	16%	18.5%	16.5%
10/11	17%	18.5%	17%
11/12	15%	18%	16%
12/13	15%	18%	15.6%
13/14	13%	16%	14%

(Source: Carlisle City Council Employment Land Position Statement, Oct 2014)

5.2 Housing Provision and Investment

Housing in the City is a highly significant component of the local economy. On the one hand, house-building has a major impact on local demand through its effects on the local construction industry generating jobs and growth for businesses. On the other hand, the quality of housing also has an influence on the supply-side of the economy by attracting and retaining people of working age particularly those with key skills. In this section, we consider these impacts using the most recent data.

The City Council has recently commissioned consultants to quantify the economic impacts of housebuilding on Carlisle (Nathaniel Lichfield and Partners eVALUATE modelling). This work indicates that if planned levels of housing growth across the next 15 years are actually achieved, the economic benefits are likely to be considerable. These estimates include:

- £891m minimum investment in construction supporting just over 1,000 direct jobs
- Indirect/induced employment of approximately 1,600 FTE ‘spin off’ jobs supported in the supply chain per year of construction
- £147 million economic output in terms of GVA from direct and indirect jobs equivalent to £9.8, per year
- £45 million first occupation expenditure with £168 million gross resident expenditure generated from new residents to the area per year.

Table 5.4 shows the structure of the housing stock by tenure in 2011-2012. Of the 48,380 dwellings in the District, 85% is either owner-occupied or private rent. Most of the remainder is accounted for by registered social landlords (7,393 dwellings or 15%). Compared with England averages (82%) and North West Region (82%), Carlisle has above average housing in the private sector (86%) though this is lower than the Cumbrian average (87.8%).

Table 5.4: Dwelling Stock by Tenure with Comparators 2011-12

		Local Authority		**Registered Providers**		**Other Public Sector**		**Owner Occupied & Private Rented**	
2011	Total	N	%	N	%	N	%	N	%
Carlisle	48,380	24	0	7,393	15.3	70	0.1	40,890	84.5
NW	3.1m	113,388	3.6	465,203	15	2,074	0.1	2,530,600	81.3
England	22.8m	1.7m	7.6	2.3m	10.2	0.06m	0.3	18.7m	82
2012									
Carlisle	50,660	20	0	7,490	14.8	80	0.2	43,080	85
Cumbria	240,720	2,730	1.1	26,500	11.0	160	0.1	211,330	87.8
NW	3.2m	96,360	3.1	481,140	15.3	1,970	0.1	2,575,390	81.6
England	23.1m	1.7m	7.3	2.4m	10.2	0.07m	0.3	19.0m	82.2

Source: ONS Local Profiles reported in Carlisle City Council Annual Monitoring Report 2013-14

The ratio between average house prices and local earnings is commonly used as an indicator of local housing market conditions or "affordability". Data in table 5.5 suggests that the housing market in Carlisle is more "balanced" than many other areas of England. The house-price/earnings ratio for the City has fallen consistently since 2010-11 and reached 4.1 in 2013. This is significantly lower than the Cumbrian (5.0) and England averages (6.0). The most recent Strategic Housing Market Assessment (SHMA) (2014) supports however that despite this trend affordability remains an important local issue, with a quantified annual shortfall of 295 affordable homes per annum.

Table 5.5: Affordability of purchased homes ratio

Year	Carlisle	Cumbria	North West	England
2008	5.9	5.8	5.7	7.0
2009	4.7	5.2	5.0	6.3
2010	4.9	5.3	5.0	6.7
2011	5.0	5.6	5.0	6.5
2012	4.7	5.0	unavailable	6.6
2013 [mean]	4.1	5.0	unavailable	6.0

Source ONS Local Profiles to 2012; 2013 Cumbria observatory sub set CACI Paycheck & Street Value 2013 – reported in Carlisle City Council Annual Monitoring Report 2013-14

The quality and suitability of the housing stock are vital aspects of Carlisle's housing offer. While Carlisle District has many attractive residential environments in both urban and rural environments, the housing stock needs constant replenishment to meet demand and maintain and improve standards. The Strategic Housing Market Assessment (SHMA) for 2009 suggested that over 15,000 properties in the District fell below "decency standards" in terms of state of repair, facilities or thermal comfort (Table 5.6). While there is poor housing in the social rented sector (849 dwellings or 11.3% of stock), poor quality housing was much more widespread in the private sector (14,472 units or 31.7% of stock).

Table 5.6: Survey of sub-standard housing in Carlisle

	Total units (2011)	Unfit units (2009)	% unfit
Private	40,890	14472	35.4
Social	7487	849	11.3
Total	48,377	15,321	31.7

Source: Data from SHMAA reported in Carlisle City Council Annual Monitoring Report 2013-14

A more recent survey conducted by the City Council in 2011 indicated around 11,000 non-decent dwellings in the private sector (Private Sector Housing Stock Conditions Survey March 2012). The main instrument used for assessing housing involves a Housing Health and Safety Rating System (HHSR) that covers 29 hazards relating to a range of criteria affecting homes and their environment including prominently, dampness, excess cold/heat, poor sanitation, lack of appropriate space, pollutants, excessive noise, risk of accident and structural damage. While this shows improvement since 2009, there is an evident need to promote modernisation and new house-building in order to improve housing stock.

Another indicator of housing quality concerns the number of vacant homes. Table 5.7 shows that in 2013, there were 1,639 properties vacant in the District (approx. 3.2% of stock compared to around 3.6% in the NW Region). This total has been falling since 2011, suggesting improvement in the housing market, although an increased share of vacant property is long-term (rising to 45%). This is not an unprecedented level compared for instance to the period 2008-10. It is, however, above average in contrast to the North-West and England averages.

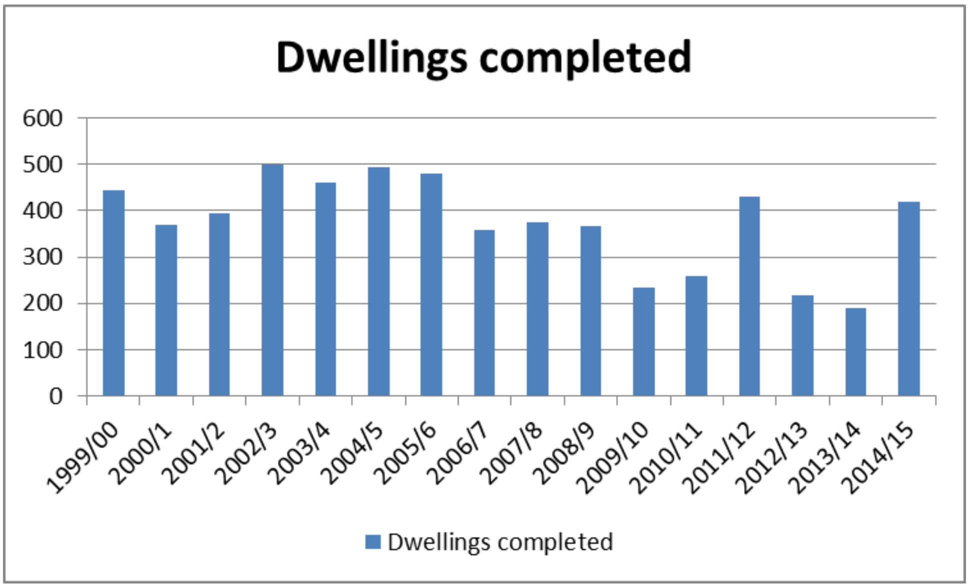
Table 5.7: Vacant Homes in Carlisle with Comparators, 2007-13

Year	Carlisle			North West			England		
	All	Long Term		All	Long Term		All	Long Term	
2007	1,678	660	39%	141,186	73,047	52%	763,319	314,285	41%
2008	1,623	756	46%	144,907	73,888	51%	783,119	326,854	42%
2009	1,743	767	44%	142,456	70,782	50%	770,496	316,251	41%
2010	1,694	739	44%	136,456	66,410	49%	737,147	299,999	41%
2011	1,876	741	39%	131,395	60,862	46%	720,416	278,911	39%
2012	1,796	690	38%	130,081	57,487	44%	709,426	259,128	37%
2013	1,639	734	45%	114,882	46747	41%	635,127	232,600	37%

Source: ONS Local Profiles – reported in Annual Monitoring Report 2013-14

The City Council plays an important role in facilitating modernisation and replenishment of housing stock through specific interventions and schemes (e.g. the Empty Homes Programme) and also indirectly via the planning system. Figure 5.1 shows annual trends in completed new dwellings. Annual completions were in the range 460-499 in the period 2003-2006 and remained above 350 per annum prior to the financial downturn. After 2008 however, with the exception of 2011-12 and 2014-15, the number of completions has fallen well below 300. However, the rate of delivery achieved in 2011–12 reflected an unusually high level of public intervention to facilitate an increased supply of affordable housing. The increased rate of delivery in 2014–15, reflects efforts by public and private sector to respond to housing need within the District.

Figure 5.1 Trends in Housing Completions 2000-2013 (Net)

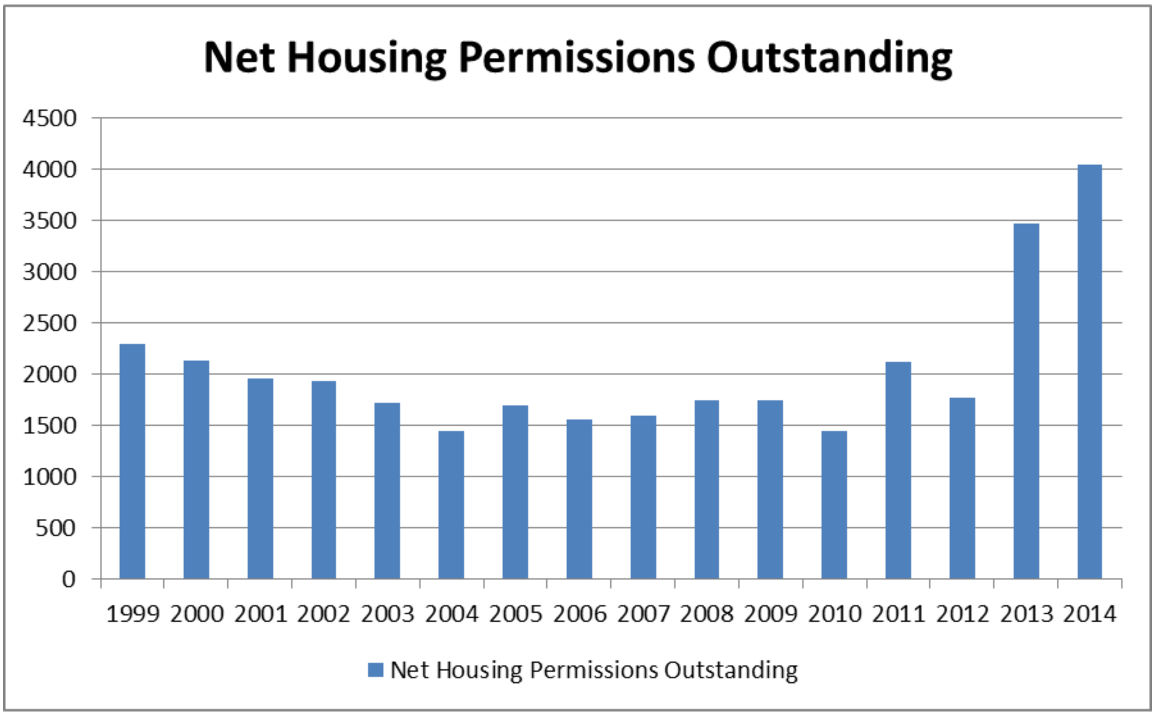


Source: Carlisle Annual Monitoring Reports and Housing Completions Monitoring.

Figure 5.2 shows that the number of housing permissions currently in the pipeline has increased considerably since 2012. It should be noted that not all of the 4045 permissions recorded in 2014 will progress to completion and those that are converted may be spread over several years. These permissions need to be viewed in the context of a recent Strategic Housing Market Assessment Update (September 2014, J G Consulting) which reviews likely demand for new housing. This document suggests that there is a requirement for 480-565 new homes per annum in the District in order to meet housing demand and address deficiencies in quality.

It is also noted that the structure of housing stock needs some adjustment to meet anticipated demand, particularly for two and three bed properties aimed at newly-forming households, medium-sized properties for older households downsizing and specialist accommodation for elderly people. Land availability and the recent upturn in completions supports the view that these needs are being addressed. Emerging policies within the Carlisle District Local Plan (2015-2030) should ensure that an appropriate mix and quality of new housing is secured in future.

Figure 5.2: Net Housing Permissions Outstanding in Carlisle 1999-2013



Source: Carlisle City Council Annual Monitoring Report 2013-14

5.3 Transport and Communications

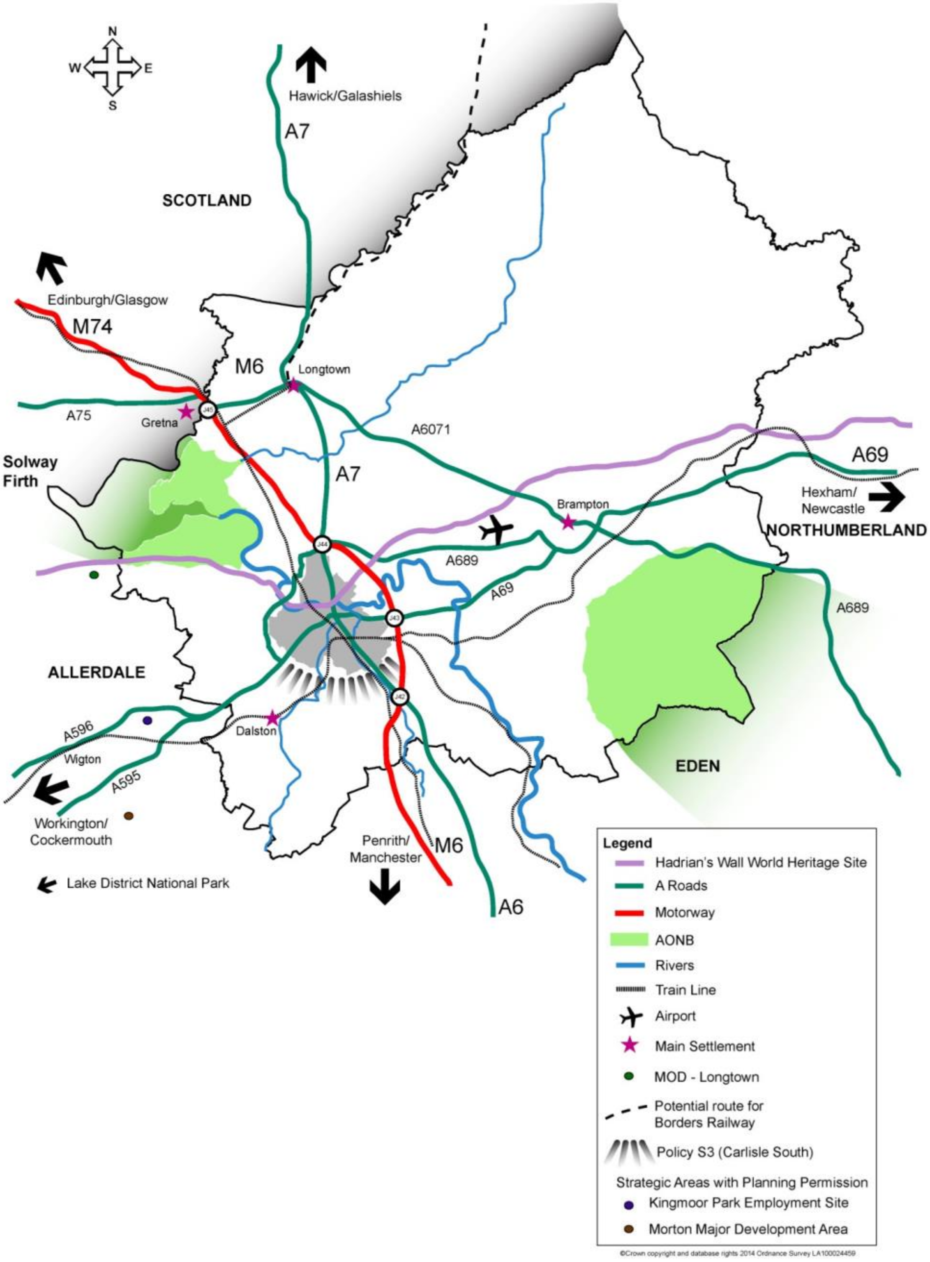
Carlisle has been, and remains today, an important communications centre providing north-south transport links via the M6 corridor and also east to Tyneside and west into SW Scotland and West Cumbria (Figure 5.3). These geographic advantages are very prominent in the Strategic Economic Plan (SEP) for Cumbria which includes M6 corridor connectivity as one of its four key priorities for development. The major routes that radiate northwards from Carlisle cut across the Anglo-Scottish Border (A74, M74 to Glasgow, A75 to Stranraer, A7 to Edinburgh via Scottish Borders). For this reason, the concept of “economic corridors” is integral to evolving collaboration policymakers in neighbouring authorities in Southern Scotland and Northumberland (Borderlands Initiative).

Investment in physical transport links are key factors in the local economy and Cumbria County Council have prioritised such investment most notably in completion of the Carlisle Northern Development Route (CNDR) which links the M6 to the A595 to the west of the city. The Carlisle Infrastructure Delivery Plan 2015, which accompanies the Local Plan, however, draws attention to further needs that include addressing pockets of peak hour congestion in the City and also improvements to the cycle network, pedestrian facilities and public transport infrastructure.

Rail links are also critical for Carlisle on the West Coast Main Line (WCML). This provides Carlisle with a significant locational advantage as a key regional hub on the UK’s rail network. The city is also an important hub for rail connections east west through to West Cumbria, South-West Scotland, Newcastle and Leeds via Settle. Working with the County

Council, the City recognises the need to lobby for the necessary infrastructure locally to support passenger numbers and to improve the quality of rolling stock and enhance capacity for freight movement (Infrastructure Delivery Plan, March 2015).

Figure 5.3: Carlisle Transport Links



Source: Carlisle City Council Annual Monitoring Report 2013-14 p.7

Major efforts have recently been made to improve Broadband access across the District. Broadband access varies considerably across the District (Infrastructure Delivery Plan 2015). Only a small part of the City (CA1 postcode area) has access to fibre-optic broadband capable of high speeds. Outside this, broadband is accessible only via ADSL enabled phone lines. Outlying areas therefore experience inconsistent access and low average speeds particularly in rural settlements.

Limited access and unreliability of broadband within Cumbria as a whole has been identified as a major weakness for businesses and also domestic users. This is stated clearly in the LEP's Strategic Economic Plan as a barrier to growth for many high-technology businesses and research and development activities across the County. While this is clearly important for such businesses, most SMEs in Carlisle are now reliant on the quality and reliability of broadband services. The City is also committed to the concept of digital inclusion and the use of ICT to deliver public services.

It is recognised, however, that Carlisle and Cumbria more generally is at a disadvantage in attracting investment in infrastructure due to the comparatively low population density and the low levels of return on such investments for commercial companies. For this reason, Cumbria County Council is collaborating with BT through the Connecting Cumbria project which aims to introduce superfast broadband to 93% of homes and businesses in Cumbria by the end of 2015 through investment in new fibre-optic cable networks. It has been reported that some 114 structures of this type have already been delivered within Carlisle District which has enabled access to fibre to cabinet broadband for over 9,000 premises which would not have been commercially covered with 2,000 more in progress (Carlisle City Council Super Connected City (Connection Voucher) Business Case (Draft document).

5.4 Retail space

Carlisle's importance as a regional shopping destination has a significant effect on the employment breakdown of the city. Competition for consumer spend is increasing from other proximate shopping destinations (Table 5.8) with its ranking slipping from 66 to 94.

Table 5.8: Venues Core Centre Hierarchy (GVA Carlisle Retail Study, 2012)

	2006		2007		2009		2010		2011	
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Carlisle	178	66	175	69	188	85	183	81	184	94
Workington	66	344	83	276	81	293	77	306	82	331
Lancaster	126	149	133	137	144	154	150	128	156	140
Glasgow	536	1	538	1	688	1	658	1	678	1
Preston	207	37	211	35	243	44	240	41	283	29
Newcastle	267	15	266	15	387	10	364	11	395	12

GVA (2012) suggest that if Carlisle is to maintain or increase its relevance as a shopping centre then by 2030 it would require additional retail floor space of between 18,200 and 25,400 sq. metres. The report also highlighted that this floor space has to be in units suitable to the requirements of new retailers and that some existing units may not be suitable for future retail. This indicates there is a need for some flexibility in the use of current business space in the city centre.

5.5 Green Infrastructure

Carlisle's green infrastructure provides the city with significant advantages when positioning itself in the marketplace. The City has many high quality and accessibility parks and open spaces which provide attractive and healthy environments for its citizens. Investments made in the past ten years have contributed to this situation and enhanced Carlisle's resilience to flooding and climate change. The challenge now is to harness the potential of the natural resources of Carlisle to create further economic and social benefits.

One way of achieving this aim is to improve the quality of the green infrastructure. While Carlisle's parks and formal green spaces are well maintained and provide a high-quality experience, there are many opportunities for improvement. There are opportunities to invest in riverbanks and disused railway routes to create commuter cycleways and footpaths with add-on benefits for recreation and healthy lifestyles.

The economic benefits of green infrastructure are now widely acknowledged and have been set out in Carlisle's Green Infrastructure Strategy. It is estimated that the investments that form this strategy could generate significant economic benefits over a 50 year period related to the impact of green environment on business investment and property values in the City.

5.6 Health Challenges

Investment in green infrastructure not only has the potential to enhance property values. It may also contribute to addressing many of the health challenges in the City, some of which are associated with life styles. The Cumbrian Joint Strategic Needs assessment highlighted the health challenges currently facing Carlisle as evidenced by mortality rates which are above national averages. The mortality rate with preventable causes is higher in Carlisle (72.9 per 100,000) than England (58.7 per 100,000). This is particularly evident in the rate of preventable respiratory mortality for those under 75 years old. Life expectancy is less than the England average (78.5 years for males compared to 79.2 years in England; and 82.0 years for females compared to 83.0 years in England).

Many complex factors can contribute to reduce a person's life expectancy. However, smoking prevalence of the adult population is higher in Carlisle district than in England (24.7% in Carlisle compared to 19.5% nationally). There are also more adults overweight in Carlisle than the England average with 68.4% persons over 16 overweight in Carlisle compared to 63.8% nationally. Sickness absence is higher in Carlisle with 4.1% of employees reporting taking time off in the previous week compared to an England value of 2.2%, this relates to a percentage of working days lost to sickness as 2.9% working days in Carlisle compared to 1.5% in England.

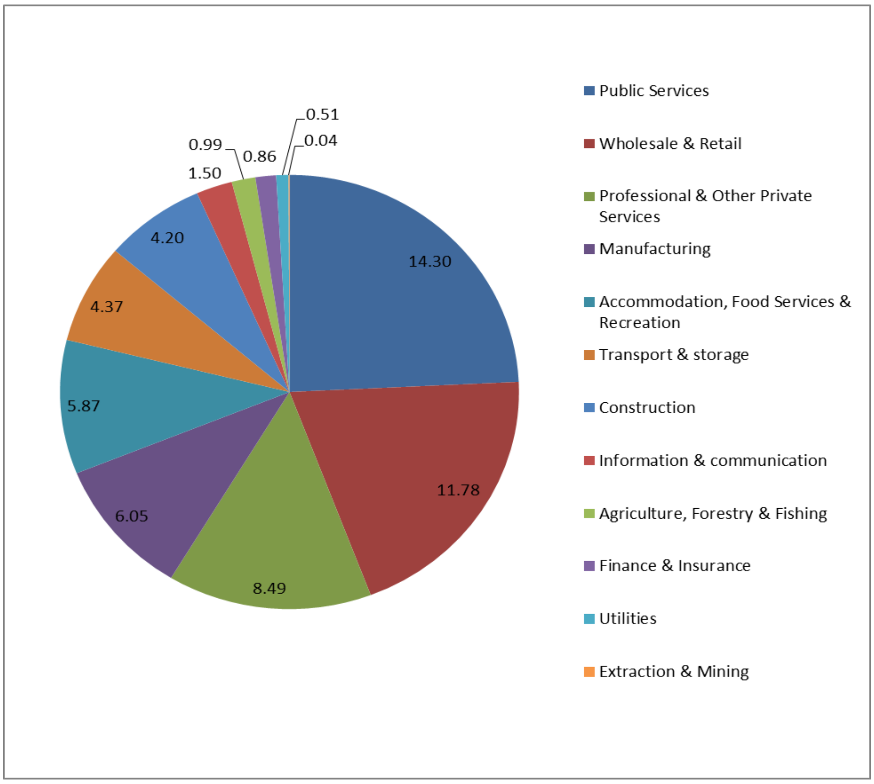
6. ECONOMIC AND DEMOGRAPHIC PROJECTIONS

The previous sections have concentrated on analysing trends up to the present time. In this section, attention turns to consider future trends. This analysis is, by its nature, more speculative and needs to be understood in terms of the assumptions used to define projections and scenarios. The analysis is based on the Experian Economic Model that is currently adopted by Cumbria Intelligence Observatory to inform policy decisions across Cumbria. The basic model constructs local projects by taking into account a) past trends in the locality; b) national trends in the sectors that are represented in the local area; and c) known local circumstances that are used to modify assumptions derived from national trends. It should be recognised, however, that unanticipated economic interventions, inward investments and other presently unknown factors could change these projections considerably. In addition, the model assumes that the population will be available to fill the available jobs.

6.1 Employment and Output in the Base Year (2014)

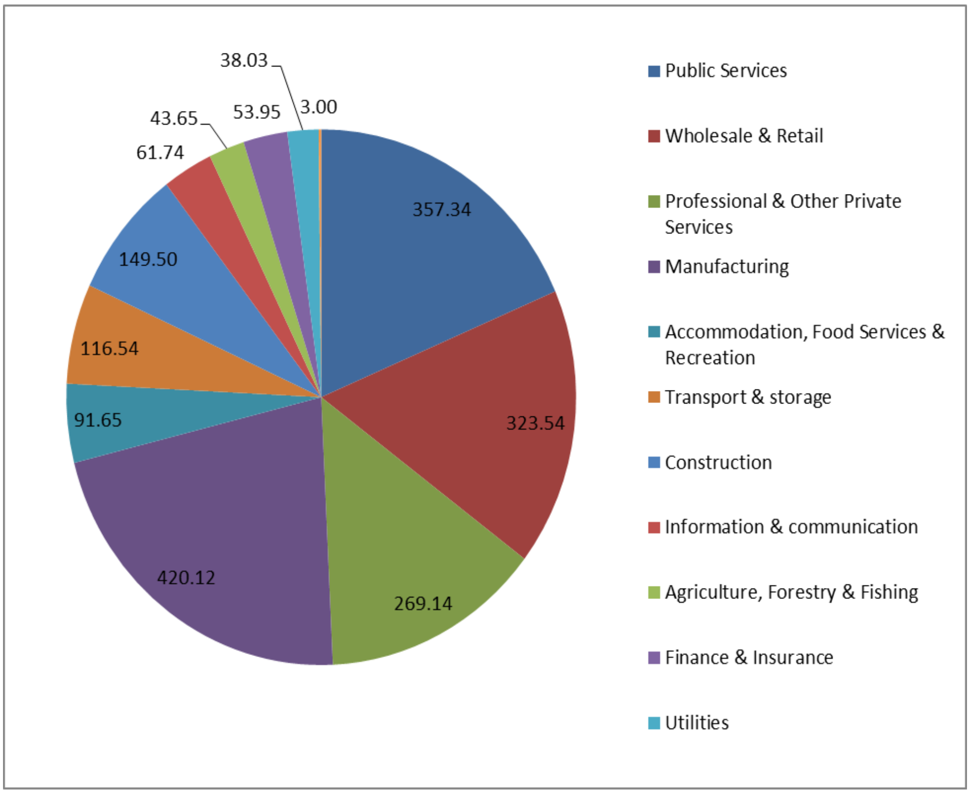
Figure 6.1 shows the distribution of FTE employment by broad sector in 2014 the baseline year for the projections. This confirms earlier analysis that over three-quarters of all employment in Carlisle is accounted for by a combination of public services, retailing, professional services, manufacturing and hotels and catering. This is broadly similar to the pattern in terms of the value of output (Figure 6.2), although the contribution of manufacturing is more significant due to use of technologies that generate higher levels of productivity (output per worker).

Figure 6.1: Estimated share of FTEs in Carlisle by broad sector, 2014



Source: Experian Economic Model operated by Cumbria Intelligence Observatory

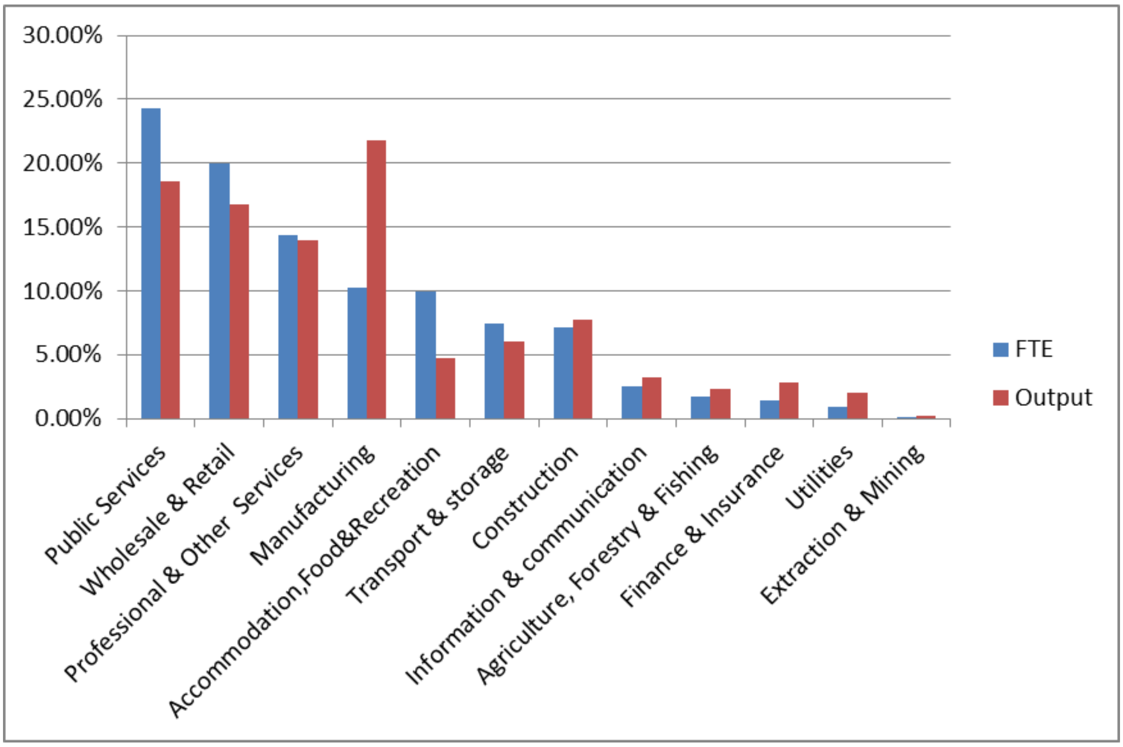
Figure 6.2: Estimated share of output (£m) in Carlisle by broad sector, 2014



Source: Experian Economic Model operated by Cumbria Intelligence Observatory

Figure 6.3 shows the two factors (FTEs and output) alongside each other. There are four sectors (agriculture, construction, distribution, hotels and catering, and other services) which have a greater share of FTE employment than output but the reverse is seen in financial and business services, transport and communications and manufacturing. These differences reflect variations in levels of labour intensity (conversely capital intensity) between these different sectors.

Figure 6.3: Estimated share of FTEs & output in Carlisle by broad sector, 2014

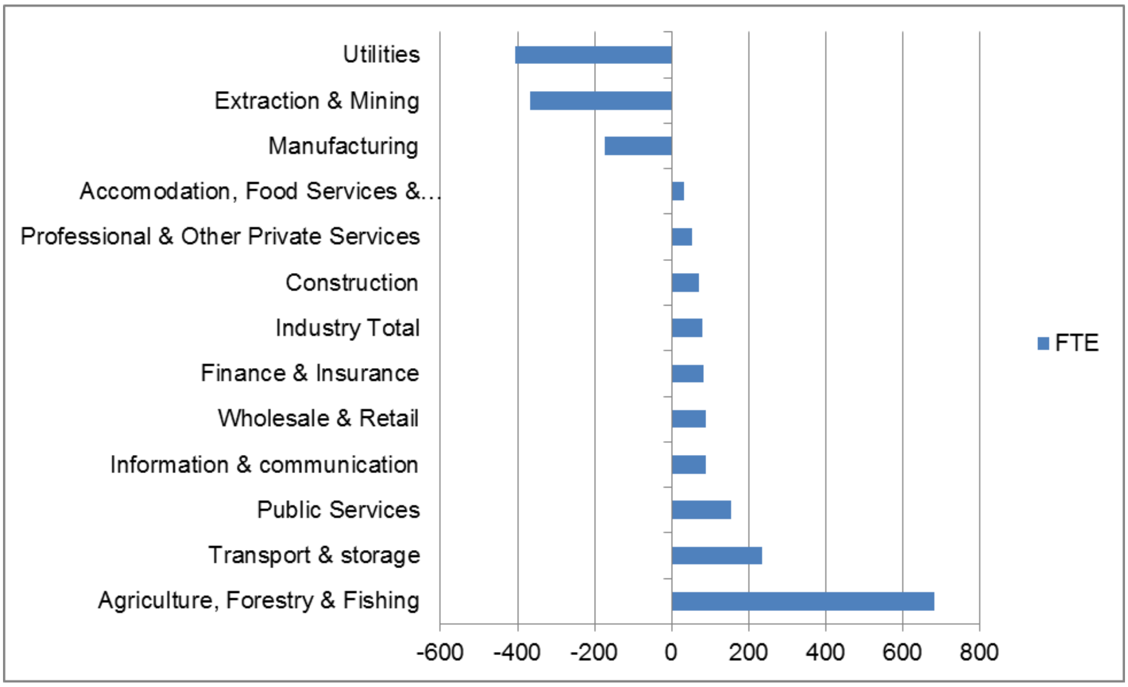


Source: Experian Economic Model operated by Cumbria Intelligence Observatory

6.2 Employment and output projections

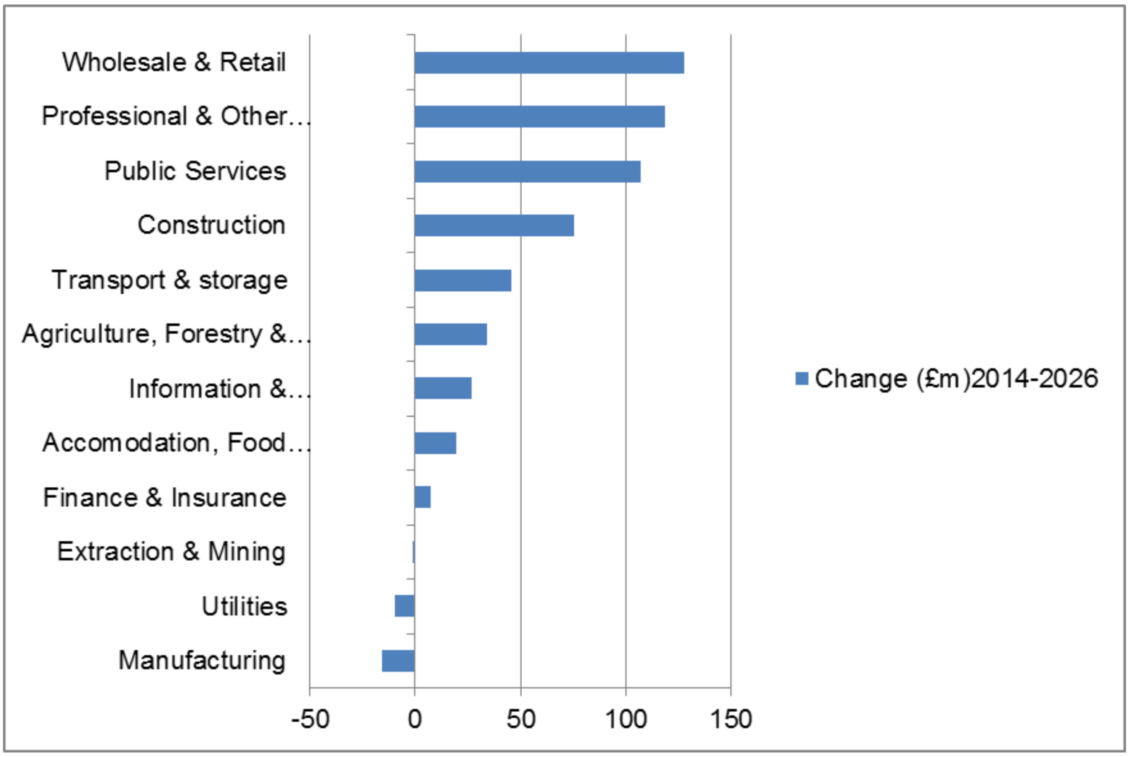
The Experian Model produces estimates of percentage change in employment (Figure 6.4) and output (Figure 6.5) for the 12 year period 2014 - 2026. The model projects some growth in employment but more so for output in Carlisle. Employment growth in terms of FTEs is most significant in agriculture, forestry and fishing, reflecting assumptions about the growing significance of environmental schemes. The model also predicts growth in transport & storage as well as public services. By contrast, employment is expected to decline in manufacturing, extractive industries and utilities. As regards output, growth is expected to focus on wholesale and retail, professional services, public services and construction. This partly reflects the recent downturn in retailing and construction and assumptions about the timing of recovery.

Figure 6.4: Estimated employment change in Carlisle (FTEs), 2014-2026



Source: Experian Economic Model operated by Cumbria Intelligence Observatory

Figure 6.5: Estimated output change in Carlisle (£m), 2014-2026



Source: Experian Economic Model operated by Cumbria Intelligence Observatory

6.3 Population Projections

As noted above, the Experian employment projections assume that the population will be available to meet labour demand in the future. In reality, the availability of labour can constrain employment growth and initiatives to draw more people into the labour market and to encourage inward migration of working age people may need to be considered.

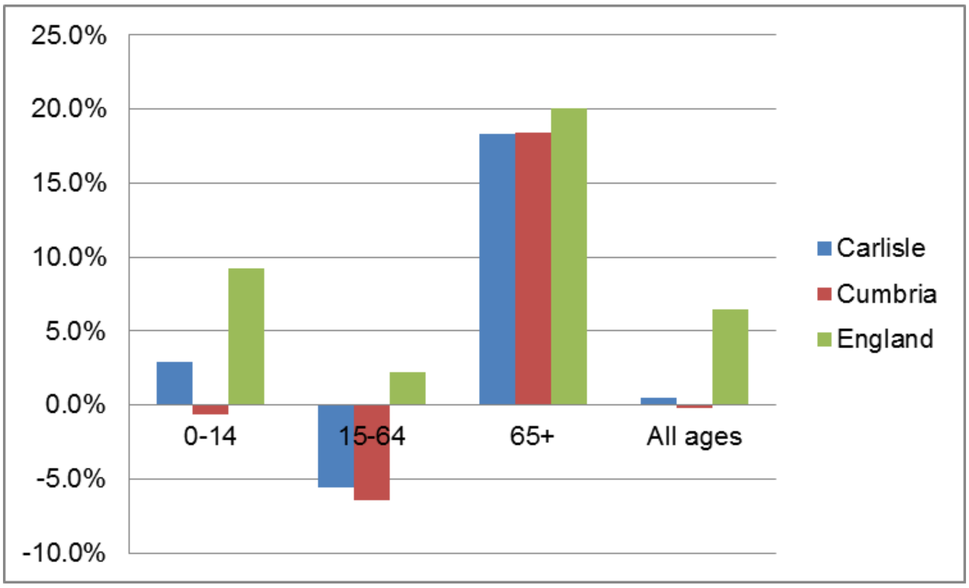
The latest population projections for Carlisle produced by the Office for National Statistics (ONS) suggest that Carlisle's growth in population will be somewhat constrained at 0.5% compared to anticipated growth of 6.5% nationally (Table 6.1). Also, the estimated growth is not evenly distributed by age group and a decline in the working age (16-64) population of -5.6% is projected against a rise of 18.4% in the 65+ age group (Figure 6.6). Of equal concern is the fact that Carlisle's 0-15 year old population is only projected to grow modestly (2.9%) compared to rapid growth nationally (9.2%).

Table 6.1: Projected population change in Carlisle by broad age group, 2012-2021

	Percentage population change		
	Carlisle	Cumbria	England
0-14	2.9%	-0.7%	9.2%
15-64	-5.6%	-6.4%	2.2%
65+	18.4%	18.4%	20.1%
All ages	0.5%	-0.2%	6.5%

Source: Interim 2011-based SNPPs, Office for National Statistics

Figure 6.6: Projected population change in Carlisle by broad age group, 2012-2021



Source: 2012-based Subnational Population Projections for Local Authorities in England

7. KEY FINDINGS FROM THE CARLISLE ECONOMIC REVIEW

The data presented in this document generally substantiates many of the issues that have been identified in previous reviews of the local economy. These include the following:

Labour market:

While Carlisle has experienced population growth over the past ten years, there has also been decline in the proportion of population of working age and an increase in the economically inactive retired population. As regards net out-migration of young people, there is mixed evidence. Some benchmark cities display significant net in-migration of young people (York, Exeter), but Carlisle experiences net out-migration. This trend, however, has been less severe in Carlisle compared to Cumbria as a whole and also in contrast to Lancaster.

There are issues related to higher level skills. There are significantly lower levels of NVQ 4+ qualifications across the district compared to the UK average and benchmark cities. There are also lower than average (regional) earnings for men and women. While the ability to compete for investment can be assisted in the short term by below average wage rates, long term sustainability may depend more on expanding higher level skills and better paid employment.

Infrastructure:

The report emphasises that many of the strengths of the City are related to its urban assets and connectivity with other areas of Cumbria and beyond into Scotland and the major cities to the south (M6 corridor) and east (A69 to Newcastle). These assets include modern transport and communication as well as attractive urban retail spaces and historic heritage (Castle, Cathedral, Hadrian's Wall).

While there are undoubted strengths, the review highlights the need for significant improvements. These include a need for appropriate broadband, Wi-Fi and fibre, as well as improved skills in using and applying online opportunities. There is a need to regenerate and expand the M6 linked industrial estates and business parks. Emergent priorities also include the need to protect and develop the vitality of the city centre – its office space, residential, retail and cultural offers. There is a need to explore options for improving connectivity to the West Coast and also to exercise greater influence over improvements on the west coast mainline.

Business:

Recent trends indicate that Carlisle continues to exhibit above average rates of business survival. However, this is accompanied by below average rates of new business formation which may be indicative of low levels of innovation that tends to drive new business start-ups. This suggests a need to stimulate innovation and to increase the number and diversity of start-up businesses in Carlisle. This needs to be addressed while also seeking to grow and expand existing businesses (both in terms of turnover and employment). One key aspect of this might include the development of international trade opportunities and entry into national markets outside Cumbria.

City marketing to investors and visitors:

Data on employment and business structure shows that Carlisle is host to quite a diverse range of economic activities. Compared to national averages, the city has more employment in transport, public administration, health, retailing, manufacturing and construction but less in finance, insurance, professional and business services. Even so, in the context of Cumbria, Carlisle provides a built environment appropriate to a wide range of businesses and consumer services as might be expected for a mid-sized city in the north of England. While this can be regarded as a key asset, the review highlights aspects that need improvement. These include improved marketing to inward investors, strategies to retain existing higher value businesses as well as measures designed to protect city centre services from the current threats to retail cores.

In terms of external perception, there remains a long-standing need to promote Carlisle as an attractive place to live and work and to improve public and private service provision to enable businesses to attract and retain highly qualified workers. The image of Carlisle is certainly enhanced by the presence of the University and the influx of young people to study is significant. However, there is a need to address the lack of "cultural" facilities in the city that contribute towards the ability to retain graduates and attract business investment and appropriate employees.

8. COMPARISONS WITH OTHER PLANS

The themes and issues referred to in this document are also considered in other strategic reviews including the Strategic Economic Plan (SEP) of Cumbria Local Enterprise Partnership (LEP); the European Structural and Investment Fund plan (ESIF) and the West Cumbria Economic Blueprint .

8.1 Cumbria Strategic Economic Plan (SEP)

The themes and issues that arise from this review of the economy are mirrored quite strongly in the Strategic Economic Plan (SEP) of Cumbria Local Enterprise Partnership (LEP) which outlines the vision for the County and the objectives that will guide actions over the next ten years (2014-2024). The SEP identifies four key economic assets and associated strategic priorities (see Appendix 8.1). Headlines include the following:

Advanced Manufacturing Growth

The SEP recognises that manufacturing activity is countywide including significant employers in Carlisle:

> *".. production units operated by multinational companies can be found throughout the county, including Pirelli Tyres, Nestle, United Biscuits….." p.8*

While the SEP emphasises the special role that manufacturing activity plays in the economies of West Cumbria and Barrow, it is also recognised that there are opportunities for growth across the whole County that justify a countywide response:

> *"Strength and competitiveness of our manufacturing sector offers significant opportunities for growth" (p.8)*
>
> *The Advanced Manufacturing Initiative is a "county-wide programme" that will "work through the Growth Hub to deliver a manufacturing supply chain programme" (p.13)*

Nuclear and energy excellence

The SEP clearly identifies the nuclear industry and one of Cumbria's key assets. While there are opportunities particularly in West Cumbria, there are major challenges too:

> *There are "significant new UK nuclear investment opportunities…." "the challenge is to use the nuclear expertise and investment as a means to diversifying and growing the local economy."* (p.9)

There are major investments planned for West Cumbria in particular but Carlisle has assets that can support these plans by linking specialist economic activities in the City to the West Coast. The SEP clearly signals this possibility:

> *Key to achieving this….. is the strengthening of links between the nuclear industry and its supply chain…." (p.9)*
>
> *Provide business growth assistance through the Cumbria Business Growth Hub…" (p.15)*

Vibrant rural and visitor economy

While the SEP clearly identifies the uniqueness of the Lake District as a tourism destination, reference is also made to assets in and around Carlisle;

> *The north of the county hosts a significant part of Hadrian's Wall, a designated World Heritage Site since 1987, and the historic city of Carlisle" (p.10)*

The SEP declares an intention for partners to focus on international visitors and signals an intention to invest in increasing international awareness of the diversity of Cumbrian visitor attractions, including those in Carlisle and Hadrian's Wall:

> *"We will focus on the following areas of activity…. Investment in destinations and attractions…… that appeal to the international visitor" (includes reference to Hadrian's Wall)*

> *"Significantly raising the international awareness and identity of Cumbria…. Work with the NE LEP to strengthen the branding of Hadrian's Wall WHS" (p.16)*

There are skills issues linked to these objectives identified in the SEP. In particular, the need to develop hospitality and leadership is noted. These objectives are clearly related to the aspiration for Carlisle to improve skills and invest in higher level skills in particular.

> *"Developing home-grown talent in hospitality and leadership skills through dedicated quality training" (p.17)*

Strategic connectivity of the M6 corridor

Finally, Cumbria SEP identifies significant assets associated with the strategic connectivity provided by the M6 corridor. This is particularly relevant to Carlisle which not only benefits from connections south, but also north into Scotland as well as being on a crossroads connecting Carlisle with the West Coast as well as Newcastle and North-East England to the east. The SEP clearly states this:

> *"In the UK and Eire context, North Cumbria is at the geographical centre for distribution and redistribution with ample land in key locations to increase storage and warehousing facilities. " (p.11)*

> *"The recently completed Carlisle Northern Development Route improves the road connectivity to West Cumbria from the north." (p.11)*

The implications of this for future development are stated very prominently in the SEP. These include prioritisation of further investment in road and rail connectivity centred on Carlisle to support growth on the West Coast as well as in Carlisle itself:

> *"Improvements in motorway junctions may be required to support the growth, particularly at J40 and J44 and connecting routes" (p.18)*

> *"The proposals for a revitalised Carlisle Airport would significantly enhance our connectivity to London and Dublin and onwards to international markets." (p.11)*

“The potential for a new nuclear power station at Moorside in West Cumbria provides the opportunity to make better use of the Cumbria Coastal railway for both transportation of goods and people….”(p.11)

The SEP argues that these infrastructure improvements are vital to support growth in the economy of Cumbria as a whole. These investments alone, however, are not sufficient to accommodate planned growth. Other priorities relevant to the business environment and quality of life in Carlisle are therefore identified including promotion of employment sites and investment in education and cultural life:

“A marketing and promotional strategy will be developed and employment sites along the M6 corridor will be brought forward… including MOD Longtown, Kingmoor Park, Durranhill…..”

“Future investment would be focused on ….increasing the presence of the University of Cumbria in Carlisle City Centre…… Improving facilities at, and around, Carlisle Station as the principal point of arrival in the heart of Carlisle…. Investing in our colleges “ (p.19)

8.2 Cumbria European Structural and Investment Fund (ESIF) Plan

The Strategic Priorities defined in the SEP are elaborated further in the European Structural and Investment Fund plan (ESIF) which identifies the ways in which partners in Cumbria intend to allocate EU Structural and Investment Funds in the period 2014-2020.

Reiterates Cumbria’s assets and makes specific reference to the following attributes of Carlisle:

Manufacturing capability

“Manufacturing expertise & world-leading companies spread throughout Cumbria although particular concentrations exist around Barrow and the Furness area, Carlisle and along the West Coast.(p. 7)

A cluster comprising large national and international manufacturer and our larger indigenous food & drink businesses is concentrated primarily in and around Carlisle including Northern Foods, United Biscuits, First Milk, Princes and Nestlé. Larger local employers include Bells of Lazonby, Calder Foods and Cranstons. Alongside these larger businesses is a vibrant community of locally owned and managed small enterprises, producing a very wide range of food & drink….”

Key employment sites for the County

The main CIF is supporting the delivery of 182 new homes and is being used to unlock development on key employment sites such as Barrow Waterfront and Rosehill in Carlisle (p.12)

Cumbria has a range of key strategic employment sites including Kingmoor Park at Carlisle, Lillyhall in West Cumbria and Barrow Waterfront in the Furness area. (p.12)

Gilwilly Industrial Estate in Penrith, Mintsfeet in Kendal, Rosehill, Durranhill and Kingstown in Carlisle. Many of these traditional industrial estates are now full and the LEP is keen to work with the private sector to bring forward new sites or enable expansion of existing estates. (p12)

Investment in education, skills and training facilities

Over recent years a substantial level of investment has been directed towards improving Cumbria's education and training facilities ……These include a Construction Skills Centre at Lakes College, a major Construction Wing at Furness College, a Digital and Creative Arts centre at Carlisle College, an Engineering Facility at Kendal College and a new Dairy Facility at Askham Bryan Newton Rigg College (p.12)

System Training Group have developed a logistics training centre adjacent to Carlisle Airport and GenII have developed a range of facilities at Lillyhall Workington, Kingmoor Park Carlisle and Ulverston to support education and skills development particularly in engineering.(p 12)

The University is a dispersed University to support the widening of participation and raise attainment levels and aspirations across Cumbria by providing accessible, good quality learning programmes. The University has sites at Carlisle, Ambleside, Workington, Furness, Lancaster and London and offers a range of academic expertise….." (p.13)

Transport connectivity for Carlisle

*The **Local Transport Body** has recently agreed its priorities for supporting £7.9m of funding to be invested at Workington Station Hub, access to Maryport Station Hub and Carlisle Currock Bridge, with all projects aimed at improving connectivity (p.13)*

*In order to unlock development opportunities around Carlisle as well as reduce congestion in the City Centre, the County Council successfully delivered the **Carlisle Northern Development Route** in 2012. The £158m, 13 mile scheme allows easier access to the strategically important Kingmoor Park, to the M6, as well as an important gateway to Scotland and to West Cumbria. (p.14)*

8.3 West Cumbria Economic Blueprint

Cumbria SEP and ESIF plan are also aligned to the West Cumbria Economic Blueprint which pre-dates both of these recent strategy documents. The Blueprint sets out a strategy specific to West Cumbria aimed at maximising the economic potential of the area particularly related to investments in the energy sector (Britain's Energy Coast). Many of the key actions specified in this blueprint are specific to the nuclear industry in West Cumbria and would not have direct parallels in Carlisle. However, there are aspirations for West Cumbria stated in this document that are shared with Carlisle. More significantly, there are priorities identified that could be met (or may even require) investment in improved connectivity with Carlisle (Appendix 9.2).

9 APPENDICES

9.1 APPENDIX A: CUMBRIA STRATEGIC ECONOMIC PLAN (SEP)

The ESIF identifies 19 Strategic Activities for Cumbria spread across ten of the EU's Thematic Objectives. Many of these commitment and pipeline projects are relevant to Carlisle as shown in table 8.1.

ESIF Strategic Activities Relevance to Carlisle

EU Thematic Priority		**Cumbria LEP Strategic Activity**	**Commitments relevant to Carlisle**	**Relevant pipeline projects**
Innovation and R&D	1	Supply chain initiative for knowledge intensive sectors	"Local partners will work together to ensure that Cumbrian companies benefit from major business investments in the County through contracts and supply services" (p.45)	"Targeted skills support in line with employer needs" (p. 45)
	2	Commercialising innovative technologies	"We will support companies, particularly SMEs, to develop and commercialise new products and processes" (p.45)	"Incubation space to support creation of innovative businesses" (p. 45)
	3	Nuclear technology and innovation programme	*[investment in facilities in West Cumbria]*	
ICT	4	Development of an up-to-date superfast broadband network for business	"improve e-commerce and commercialisation within companies.."(P.46)	Support and encourage greater use of online trading, marketing and export" (p.47)
Entrepreneur-ship	5	Encourage entrepreneurship and business start-up	"foster an entrepreneurial culture…. and reduce barriers to business creation"	"Countywide business start-up programme" "Specialist advice and support to encourage knowledge-intensive graduate

				start-ups… (p.48)
	6	Develop customised support for growing businesses	“Continuation and further development of the successful Business Growth Hub and Rural Growth Network approach” (p.48)	“Sector-specific programme e.g. supporting SMEs in ……..food & drink,……” (p.48)
	7	Business premises for growth	..supply of appropriate, well-connected and serviced employment land and premises” (p.49)	“Incubation space to foster the development of new SMEs and micro-businesses” (p.49)
	8	Business access to finance	“Offer an affordable means of finance for SME growth, linked to our priority sectors” (p. 49)	
Low Carbon	9	Low carbon business growth	“….support for companies leading the way in renewable energy generation…” (p.51)	“Development of effective supply chains, including those linked to wood fuel, biomass, geothermal, wind and tidal energies” (p. 51)
	10	Low carbon skills	“Cumbrian education and training institutions ….continue to develop their low carbon skills offer” (p. 51)	“supporting local firms in accessing appropriate training…..” (p.51)
	11	Low carbon R&D and innovation facilities	*[focus on West Coast]*	
	12	Energy efficiency and micro-generation	“Support our SME community to adopt low carbon technologies” (p. 52)	Renewable energy micro-generation schemes in social housing, companies industrial premises and public buildings…” (p. 52).

Climate Change adaption	13	Flood risk prevention for business growth	“Protect …..priority business locations across Cumbria” (p.53)	Flood risk prevention schemes which reduce the risk of flooding for existing businesses” (p. 53)
Resource efficiency	14	Business resource efficiency for SMEs and vibrant tourism economy	“A programme of business resource efficiency” (p. 54)	“Support for waste reduction measures”….”Support for strategically important tourism projects” (p. 54)
Sustainable transport	15	Key transport activities to support growth	“Transport measures .[that]. help companies to grow and compete…” (p.55)	….” improvement in existing interchanges and routes and making use of multi-modal opportunities…” (p.55)
Employment	16	Employment support programmes in areas of disadvantage	….”assist people towards employment and better paid employment through advice programmes, placement schemes, into-work support and job brokerage” (p.56)	“Pathways to employment support”. Sector-based work academies, work experience opportunities…”. (p.57)
Social inclusion	17	Social enterprise and inclusion activities	“Support services are coordinated to ensure the spiral of poverty is halted” (p. 58)	Support to develop the Social Enterprise sector…… reduce reliance on payday lending…..reduce discrimination….addressing digital inclusion…” (p.58)
Education and skills	18	Skills for employment	“Support lower-level skills development….basic skills..” (p.59)	“Support for… Sector- based academies apprenticeships ….higher level skills….business start-up….work

				placements and internships… (p.60)
	19	Employer-led skills for growth	“Support workforce development including higher level skills “ (p.60)	The edge phase 2… Skills for Growth Programme…. Leadership and Management activities….. (p.60)

Source: Authors’ analysis of Cumbria LEP EU Structural and Investment Funds Plan, January 2014

9.2 APPENDIX B: WEST CUMBRIA ECONOMIC BLUEPRINT

Cumbria SEP and ESIF plan are also aligned to the West Cumbria Economic Blueprint which pre-dates both of these recent strategy documents. The Blueprint sets out a strategy specific to West Cumbria aimed at maximising the economic potential of the area particularly related to investments in the energy sector ((Britain's Energy Coast). Many of the key actions specified in this blueprint are specific to the nuclear industry in West Cumbria and would not have direct parallels in Carlisle. However, there are aspirations for West Cumbria stated in this document that are shared with Carlisle. More significantly, there are priorities identified that could be met (or may even require) investment in improved connectivity with Carlisle. Table 8.2 summarises these possible areas for coordination:

West Cumbria Economic Blueprint: possible areas for coordination

THEMES	BLUEPRINT ACTIONS	SYNERGIES AND RELEVANCE TO CARLISLE
Applied research	Research commercialisation	"..connect research activity with business and to encourage a process of commercialisation of knowledge…. (p.28)
	Developing applied research links	"… connect our businesses with the UK's established centres of excellence… "provide opportunities for knowledge transfer.. (p. 28)
R&D Demonstrations	Business R&D Programme	Support to businesses looking to develop product/service research and development activities" (p.29)
	Low Carbon Energy Benefits Programme	"Demonstrating the commercial and domestic benefits of low carbon energy systems ." (p.29)
Enterprise Culture	Enterprising communities	"Encourage a culture of enterprise among West Cumbria's residents.. "(p.30)
	Enterprising minds	Support our schools in developing adventure learning and our higher education establishments in nurturing intellectual curiosity..." (p.30)
	Enterprise incubation	.."make available innovation laboratories……. Linked to lifelong learning networks, incubation facilities and knowledge transfer networks…" (p.30)
	Enterprise coaching/business mentors	"Support to individuals starting a company ….. coaching and mentoring…" (p.30)

Access to markets	Connecting with global markets	“Work with other dynamic businesses looking to access global customer markets…” (p.32)
Education, skills and training	Work opportunities programme	“develop and deliver a programme of support to help people to access work opportunities..” (p.33)
	High growth business skills audit	“map out skills requirements for business growth and expansion..” (p. 33)
Infrastructure	Sustainable access package	“enhance passenger rail service…… improve access to the rail network by public transport, bike, foot and car…” (p. 35)
	Superfast broadband	Delivering superfast broadband …….. nodes that serve key business locations” (p.35)
	Enhanced grid connection	Northwest coast connections project ….. linking West Cumbria…. enabling it to contribute to the nation’s supply of electricity “. (p.35)
	Access to business project	“Carlisle airport will increasingly become a key international gateway to the area….” (p.35) Improvement to the A595/A5086 – these road corridors are key in connecting the Port of Workington to the main settlements and Sellafield…… (p.37)
Sites and premises	Commercial kick start project	Supporting the development of new commercial office space in the principle town centres…..(p.37)
	Social infrastructure package	Investment in….. housing, schools and health facilities….. but also cultural facilities..(p.38)

Source: Authors’ analysis of West Cumbria Economic Blueprint, January 2014

9.3 APPENDIX C: COLLECTIVE RESPONSE OF CARLISLE CITY OFFICERS TO THIS REPORT

Direction of Travel: Collective response of Carlisle City Officers to this report

Testament to the desire and ability of the Carlisle Economic Partnership (CEP) to succeed in implementing change, many of the actions identified through the process of the previous Economic Review have now been completed. As opposed to standing still however, a new series of efforts, with a common focus on enhancing Carlisle's offer in order to underpin and stimulate growth in the economy, are now underway and building on this previous momentum are increasingly gathering pace. Combined with a strengthening economic landscape and the markets within, there are clear signs that investment and wider confidence is now returning to Carlisle giving rise to exciting opportunities going forward.

Whilst the CEP will continue to play a lead role in co-ordinating and driving economic betterment, a wider and importantly private sector collective is also being successfully engaged through the Carlisle Ambassadors programme – which brings together those with connections or an interest in Carlisle who share a common ambition and who see mutual benefit in supporting Carlisle as a centre of business, tourism and culture and ultimately to make it an even better place to live, work, invest and visit.

Interest in and membership of the Ambassadors is going from strength to strength with those involved, which includes major global companies through to local SMEs, already adding value on multiple fronts including with regards to securing investment through the sponsorship of projects and place promotion. Above all else the programme is, against a backdrop of the Carlisle Story which highlights the unique attributes of Carlisle's offer, succeeding in generating an increased level of interest in and greater ownership with respect to shaping Carlisle's future. As such this grouping is anticipated to play a significant role in helping to drive and implement future change.

There is shared recognition between partners within Carlisle that there is significant potential to grow an already strong economy further, particularly owing to its locational advantages and the advent of a genuinely transformational period of activity owing to multi-billion pound investments in the energy and manufacturing sectors on the West Coast. Accordingly a central feature of the potential of Carlisle is to extend its city region influence outwards and in doing so capture the benefits of a larger labour pool, a more significant business base and greater retail/leisure footfall into the city centre, based on the extensive population catchment potentially within reach. Enhancing Carlisle's future offer in its widest sense will be central to succeeding in this objective, as will cementing the appropriate working relationships necessary to respond to the devolution agenda, building for example on the potential of the Borderlands Initiative and others.

Whilst many strategies will continue to influence outcomes and investment decisions in Carlisle, encouragingly with greater alignment between these than has arguably ever existed before, the emerging Carlisle District Local Plan (2015 – 2030) constitutes a key future driver of change. This Plan sets out a strong, positive and shared vision for the future of Carlisle and provides a practical framework for guiding the location and level of development in the

District up to 2030, as well as a number of principles that will shape the way that Carlisle will develop between now and then.

From an economic perspective the Plan allocates land specifically for new employment generating uses, and aims to give the certainty required to aid investment decisions within the District. It also targets the delivery of approximately 8,500 new homes across its 15 year horizon, and identifies the land available to accommodate this growth as well as broad locations to sustain longer term housing growth in addition to approximately 200,000 square feet of new retail floorspace within the City Centre. In these terms the Plan sets out and embarks upon a journey to realise the most ambitious levels of growth pursued within Carlisle to date, and is already taking effect as it nears adoption particularly with regards to positively influencing land supply.

Key to realising Carlisle's growth ambitions is understanding and acting to ensure the timely delivery of the necessary supporting infrastructure. Carlisle's Infrastructure Delivery Plan responds to this and makes clear what investment will be required by when and assesses current funding arrangements. Efforts are already rallying to actively explore and drive forward delivery in response to needs with a good example being the work underway on the feasibility of a southern relief road in Carlisle, to connect J42 of the M6 with the A595, which aside from opening up new land for development is of evident wider strategic relevance given the need to improve east to west connectivity in the context of Britain's Energy Coast and the Port of Workington. Alongside wider efforts to significantly improve broadband connectivity within the District, through Connecting Cumbria and a hopeful government sponsored Business Connectivity Voucher Scheme, private sector driven investments including the strategic upgrading and therefore enhanced potential of Carlisle Airport as a Regional Gateway are further testament to the ambition of partners to ensure that infrastructure does not hold growth back.

From a tourism perspective, an important strand of the economy, recent investment and ongoing efforts are combining to ensure that the platform to promote Carlisle and draw in visitors has never been stronger. The recently opened Museum of Military Life within the Castle complex and more recent opening of a new Arts Centre in the Old Fire Station are examples of how previous deficiencies in the City's cultural offer have been addressed which bode well for the future. Looking further ahead potential projects including the Cathedral Fratary and the intended expansion of Tullie House via their 20:20 vision will further bolster this transformed offering.

Carlisle's visitor offer will from August 2015 be showcased from a reconfigured and enhanced visitor hub which accords with future needs and expectations, on the back of an approximately £1million investment in one of the City's oldest buildings in the form of the Old Town Hall. Further investment in the City Centre through acting to significantly improve signage between key destinations and gateways and enhanced public realm, alongside an ever expanding food and drinks offer, will also play their part in establishing Carlisle as an attractive and viable short break destination. To help reach and sell Carlisle to the widest possible audience all that it has to offer will, moving forward, be showcased through more innovative means including the refreshed and refocused 'Discover Carlisle' website. The role out of free Wi-Fi throughout the City Centre also entails new opportunities which aside from aiding commerce can be creatively harnessed to further enhance the visitor experience.

With regards to fostering business start-ups and supporting growth, the Cumbria 'Growth Hub', which is the product of a collective offer between many key partners, has proved to be an award winning and innovative way of providing a package of support to local businesses through a one-stop shop type and highly digitalised approach. Combined with the University of Cumbria's Business Interaction Centre these important hubs ensure Carlisle is well placed to continue responding to such needs going forward.

Observations support that market confidence in Carlisle is akin to pre-recession highs with encouraging signs that this and ultimately investment in Carlisle will continue to grow. Development pipelines look good in terms of planning permissions in place to enable development within the District, but more encouragingly activities on the ground support these plans are increasingly being put into effect. Recent deals and activity in the land and property market support that confidence is returning and positively that demand for space is increasing. These conditions should afford real opportunities to drive transformational activity particularly within the City Centre in terms of taking forward the recommendations of the City Centre Development Framework including the strategically important regeneration and renewal of the Citadel locality.

In Carlisle's favour moving forward is the recent track record of securing external funding which is facilitating, amongst others, initiatives such as the reconfiguration and enhancement of Durran Hill Industrial Estate or the acceleration of the unique opportunity presented by the part commercialisation of surplus land at MOD Longtown. Combined with a willingness to commit to real partnerships and embrace innovation and flexibility including using assets more creatively, testament to which is the approach with regards to the longer term management of Kingstown Industrial Estate, the conditions are favourable to ensure Carlisle is genuinely well placed to attract a greater share of public investment than it has enjoyed previously, and in doing so in a better position to stimulate activity and increase the prospects of securing transformational change.

Whilst there are many reasons to support that the future of Carlisle and its economy look bright, it is widely acknowledged that the road ahead is not without its challenges. Despite recent successes and being well placed to move forward there is no room for complacency. In addition to responding to some of the issues highlighted in this Review, including enhancing performance where this is currently below national and on occasion regional comparators, a better understanding of some of the opportunities on the horizon such as the supply chain and labour pool demands of the British Energy Coast will be important in order to make the most of such opportunities, as too will implementing the Cumbria Skills Plan. To this effect partners will need to build on and be clear about where to target resources in order to add value to and sustain momentum with the ultimate goal of establishing Carlisle as location of choice for developers and investors.