

Report to Economic Growth Overview & Scrutiny Panel

Meeting Date: 29 July 2021
 Portfolio: Economy, Enterprise & Housing
 Key Decision: No
 Policy and Budget Framework: Yes
 Public / Private: Public

Title: Carlisle Economic Strategy
 Report of: Corporate Director of Economic Development
 Report Number: ED26/21

Purpose / Summary:

This report provides an overview of the updated draft economic strategy for the Carlisle District, which is included as Appendix 1. The Strategy sets out the Council's priorities, objectives and actions to drive economic growth and recovery from the Covid-19 pandemic for the next five years. The Strategy has been developed in consultation with members of the Executive, the Economic Growth Scrutiny Panel and the Senior Management Team.

Recommendations:

It is recommended that Overview & Scrutiny:

1. Note the contents of the Strategy in terms of the challenges, opportunities, strategic priorities and objectives articulated.
2. Note the framework and context for the production of the updated economic strategy, particularly the impacts of Covid-19 and Brexit.

Tracking

Executive:	20 July 2020 2 June 2021
Scrutiny:	21 January 2021 29 July 2021
Council:	14 September 2021

1. INTRODUCTION

- 1.1 The production of the updated economic strategy has very much been evidence-led in order to ensure that it is developed to respond to local needs and opportunities. Up-to-date data has been used to ensure that the approach is pertinent to the current economic climate and challenges.
- 1.2 The Strategy also takes account of existing economic development strategies developed on a wider geographical scale relevant to the District including the Borderlands Inclusive Growth Deal and the Cumbria Local Industrial Strategy. The recently produced Carlisle Town Investment Plan has also informed the approach.

2. BACKGROUND

- 2.1 The first stage in the production of the Strategy involved the collation of a comprehensive evidence base document. This included data on the entire district of Carlisle (as well as, where relevant exploring differences between the rural and urban areas) under the following headings:
 - Population
 - Economy
 - Place
 - Transport
 - Digital Infrastructure and connectivity
 - Environmental sustainability and low carbon
- 2.2 Members will also be aware of the COVID-19 economic impact study that has recently been commissioned. This has had a major bearing on the development of the Strategy in terms of the emergent challenge of driving the recovery and renewal of the local economy.

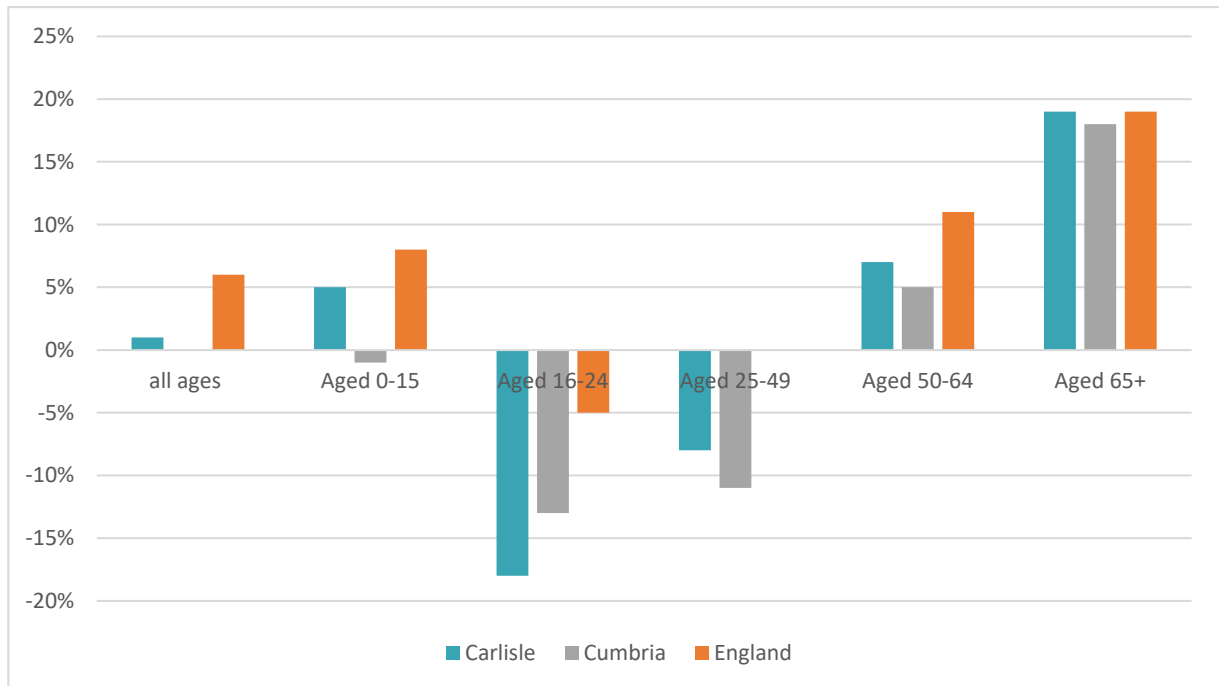
3. STRATEGY – CHALLENGES FACING CARLISLE

3.1 CHALLENGE 1 - DECLINING WORKING AGE POPULATION

- 3.1.1 Carlisle in line with Cumbria and the wider Borderlands area has a declining working age population. Figure 1 shows the 16-24 age group has seen a decline -18%, and the 25-49 group, -8% between 2011-2019. Coupled with an increasing retirement population of 19%, Carlisle has a high old age dependency ratio of 36.35, compared to 29.5 in England¹.

¹ Based on ONS population estimates 2019

Figure 1: Population change in Carlisle, Cumbria and England among age groups, 2011-2019



Source: ONS: Population estimates based by single year of age 2019

- 3.1.2 These statistics indicate that there is a need to improve the offer for young people in the City. Carlisle’s position as a university city is key to this. The University of Cumbria enrolled 6300 full-time equivalent students in 2019², however many graduates tend to move on elsewhere to continue their post graduate careers. Evidence suggests that Carlisle lacks strength in key sectors, such as creative and digital, which account for only 2% of employment in Carlisle, to retain graduates, particularly given the strengths of the university in such sectors³.
- 3.1.3 If this ageing demographical trend continues unchecked, it will have significant impacts on the provision of services and the local economy: creating dual problems of a lack of available and skilled labour force and an increased number of people reliant on key services including health and social care.

² Access and Participation Plan 2019-20, University of Cumbria

³ Identification of future growth opportunities: Carlisle, Regeneris Consulting 2017

3.2 CHALLENGE 2 - LOW SKILL LOW WAGE ECONOMY

3.2.1 Carlisle has a high number of people concentrated in low skilled low wage sectors, such as retail (making up nearly one fifth of total employment)

Table 1: Qualification levels by adult population (%) in Carlisle, Cumbria and England

Qualification level	Carlisle	Cumbria	England
NVQ4+	28	32.5	40
NVQ3+	51.7	55.4	58.5
NVQ2+	67.7	74.3	75.7
NVQ1+	85.2	89.4	85.8
Other Qualifications	8.4	5.2	6.7
No Qualifications	6.4	5.4	7.5

Source: APS, ONS 2019

3.2.1 As the table above indicates, Carlisle has a relatively low skilled population- with 12% holding NVQ4+ qualifications than the England average (4.5% less than Cumbrian average).

3.2.2 Alongside this, Earnings in Carlisle are below that of both Cumbria and England, with a median annual salary of £20,929, compared with £24,003 and £25,118 for Cumbria and England respectively⁴.

3.2.3 This influences the low productivity of the city, with the average GVA per worker in Carlisle 90% of England average and 92% of North West average⁵. Low productivity and low skills base results in difficulty attracting high value sector employers to invest in Carlisle, while local employers regularly cite difficulty in recruiting skilled workers in the city. This is a significant impediment to local economic and business growth.

3.3 CHALLENGE 3 - LACK OF CITY CENTRE VIBRANCY

3.3.1 While the city centre has a strong sense of place, there is evidence that it lacks the vibrancy necessary to perform to its full potential as a regional hub.

⁴ ASHE, ONS: 2019

⁵ Sub regional productivity, ONS 2018

- 3.3.2 The city centre economy currently relies heavily on its retail offer and this makes Carlisle highly vulnerable to fluctuations and further contraction of the retail sector – exemplified by the closure of Debenhams and stores within the Arcadia group. Only 8% of businesses in the city centre retail core contribute to the evening economy⁶. This means that city centre vibrancy is significantly reduced after 5pm.
- 3.3.3 Only 4,250 people live in the city centre area. The ‘offer’ of housing in the city centre is generally perceived to be low and particularly unsuitable for young professionals, who are the largest market for city centre living⁷. The absence of a strong city centre residential community contributes significantly to the lack of evening activity. Increasing city centre living will also help create a greater demand for the city centre evening economy.
- 3.3.4 Carlisle has a relatively weak visitor sector when compared to other small cathedral cities, such as York, Norwich and Lincoln. Between Carlisle 241,000 visitor trips, against 356,000 in Lincoln, 633,000 in Norwich and 1.24 million in York⁸. Despite its beautiful location and strong heritage offer, Carlisle underperforms as a visitor destination.
- 3.3.5 Improving vitality and viability of the city centre - through the diversification of uses and improving the residential, leisure and culture offer - is therefore a priority. A focussed strategy and intervention is necessary to avoid an accelerated decline in footfall and increased vacancy rates. A poorly-performing city centre would have a significant impact on the Carlisle’s role as a regional economic hub, the strength of the local economy – and income to the Council via business rates.

3.4 CHALLENGE 4 - INCONSISTENT PROVISION OF GOOD DIGITAL AND TRANSPORT CONNECTIVITY

- 3.4.1 Public transport provision throughout the district is generally considered (as with many rural districts) inconsistent, with infrequent bus services to the city, particularly in remote rural areas. Bus journeys are also consistently longer than comparative journeys by car, and most junctions prioritise motor vehicles above both pedestrians and cyclists. Consequently, over 60% of travel-to-work journeys to Carlisle city centre are made by car⁹. This makes Carlisle’s transport emissions high and discourages healthy and active lifestyles.

⁶ Carlisle city centre Health Check, 2019

⁷ BBC (2018) ‘The UK’s rapid return to city centre living’ available at: <https://www.bbc.co.uk/news/uk-44482291> [accessed 27.02.2020]

⁸ Mott Macdonald, 2020

⁹ Mott Macdonald, Carlisle City Centre Transport and Movement Plan 2020

- 3.4.2 There is a lack of integrated walking and cycling routes into and out of the city, and particularly a lack of cycle routes into the city centre, which further entrenches vehicular dominance. Encouraging and facilitating active travel is one of the key ways in which Carlisle City Council can contribute and support the city's transition to a net-zero carbon city, through working in partnership with Cumbria County Council as the Highways Authority.
- 3.4.3 Only 46.2% of people have access to superfast broadband in Carlisle, compared to 95% nationally¹⁰, indicating that the city has a lack of digital infrastructure. There is now widespread recognition that digital infrastructure is central to supporting local economies. Connectivity is one of the most significant barriers to growing the population and economy of Carlisle. The District is perceived as a peripheral location, but with improved digital connectivity perceptions of remoteness can be changed.
- 3.4.4 Poor digital and transport connectivity holds our city back: The dominance of vehicles on highways impacts on the health, wellbeing of our communities and the local environment. Meanwhile the lack of good digital infrastructure and connectivity makes the businesses, residents and education centres across Carlisle less resilient to the shocks caused by the COVID 19 pandemic.

4 STRATEGY – OPPORTUNITIES FOR CARLISLE

4.1 OPPORTUNITY 1 - HIGH QUALITY OF LIFE OFFER

- 4.1.1 Carlisle is an affordable place to live- with an average house price of 136,721, significantly lower than the England average of £248,083¹¹. This makes Carlisle potentially attractive for first time buyers. Carlisle unsurprisingly has high levels of home ownership, 6% above the national average at 68%¹².
- 4.1.2 The city is set in beautiful rural surroundings and acts as a gateway to two UNESCO world heritage sites and is home to two Areas of Outstanding Natural Beauty (Solway Coast and North Pennines). Carlisle's beautiful natural heritage helps make it an attractive place to live.
- 4.1.3 Together the affordability and unrivalled natural capital give Carlisle a strong quality of life offer, which can make the city an attractive place to live in and invest in. Changes in lifestyle after COVID19 make living in Carlisle a more realistic offer for

¹⁰ Connected nations update: Spring 2019 dashboard, Ofcom 2019

¹¹ UKHPI December 2019

¹² Census 2011

more people, as proximity to workplace becomes important, and flexible working arrangements are likely to become more commonplace.

4.2 Opportunity 2 – Carlisle as the regional capital of the borderlands

4.2.1 As the only city and the largest settlement of both Cumbria and the wider Borderlands region, Carlisle acts as a regional capital of the Borderlands.

4.2.2 Carlisle is the economic driver of Cumbria and the Borderlands, generating £2.83 billion of GVA per year- making up a quarter of the total Cumbrian GVA¹³. The city is the regional centre for the Borderlands area, acting as a hub for 1.1 million (10% of the UK landmass). This context makes Carlisle both regionally and nationally strategically important.

4.2.3 Carlisle acts as a civic hub for the area- and hosts a number of key public services and institutions, including Cumbria County Council, NHS, and the University of Cumbria.

Table 1: Employment rate (%) for Carlisle, Cumbria and England (as of March 2020)

	Carlisle	Cumbria	England
Males aged 16-64	82.8	82.5	80.2
Females aged 16-64	79.8	75.4	72.3
All persons aged 16-64	81.3	78.9	76.2

Source: DWP, 2020

4.2.4 Due to its role as a sub-regional hub, Carlisle has a high level of employment and economic activity. 81% of adults in the city are in employment. Carlisle has historically had high levels of employment, and despite the impacts of coronavirus, which has led to an increase in unemployment across the UK, Carlisle's level remains below the national average¹⁴.

4.2.5 This role and these assets give Carlisle a weighted importance above similarly sized comparable settlements. There is an opportunity to capitalise on Carlisle's role as a strategic location for housing, employment and commercial growth – given its size and connectivity.

¹³ Sub regional productivity, ONS 2018

¹⁴ DWP 2020

4.3 OPPORTUNITY 3 - EXCELLENT STRATEGIC CONNECTIVITY

- 4.3.1 As well as being the geographical centre of the Borderlands region, Carlisle forms part of the geographical centre of the UK. This makes the city well connected to the rest of the UK.
- 4.3.2 Carlisle is situated on the West Coast Mainline and has good rail connectivity: approximately 1 hour from Glasgow and Edinburgh, 2 hours from Manchester, 3 hours from London and Birmingham by rail. Local rail links such as the Cumbrian Coastline and the Glasgow and South West Line makes the city well connected to other regional centres and act as an interchange for South West Scotland and West Cumbria.
- 4.3.3 Situated on the M6 corridor, Carlisle is equally well served by road- well connected to Scotland via the A/M74, the south of England via the M6 and Newcastle and the North East via the A69.
- 4.3.4 This makes the Carlisle easily accessible from most parts of the UK, reversing misconceptions of isolation, and instead putting the city at the heart of the UK, and a significant link between the Scottish and English economies.

4.4 OPPORTUNITY 4 - GROWTH POTENTIAL

- 4.4.1 Carlisle has significant growth potential and is already embarking on a significant growth journey. Carlisle is set to grow its population with the development of 10,000 new homes through St. Cuthbert's Garden Village. This development will help provide over 9,000 new jobs and support the reversal of the declining working age population.
- 4.4.2 Carlisle also has clear potential to support business growth. There is good availability of employment land across the district (80Has)¹⁵. The city is home to Kingmoor Park Enterprise Zone, the only Enterprise Zone in Cumbria, with over 30 Has of development land available, and new developments already underway such as the ModVillage.
- 4.4.3 Carlisle is a base for both manufacturing and transport and logistic industries, scoring highly on the index of specialisation. Manufacturing accounts for around 12% of employment. Meanwhile, transport and storage accounts for 7.9% of employment compared with Cumbrian and England averages of 4.7%¹⁶. Building on the

¹⁵ Annual Monitoring Study, 2019

¹⁶ BRES, ONS, 2018

specialisms of the University, Carlisle has the potential to grow its creative and digital sector, a growing high value sector across the country.

- 4.4.4 Carlisle can grow in a way that no other area in the Borderlands region can. And as the only city, and a service centre for 1.1 million, the success of our growth agenda is critical to the growth of the wider Borderlands area.

5 IDENTIFICATION OF PRIORITIES

- 5.1 The overarching corporate economic development objective is growth – both population and employment. In order to achieve this, there are five key building blocks:
1. Housing offer – quality, mix and affordability
 2. Business space – quality / flexible that caters for a broad range of sectors
 3. Connectivity – excellent / reliable digital and transport infrastructure
 4. Environment – high quality built / natural environment
 5. City Centre – a vibrant city centre that provides range of uses / experience
- 5.2 In order to achieve our growth agenda and meet our climate change obligations, this growth (and the five key building blocks) must be delivered in a way that is clean, inclusive and sustainable. These three principles have been woven into the strategy as three key cross-cutting themes and presented as strategic priorities that form the ‘golden threads. The intention is to establish and embed them as critical success factors that will inform our future corporate decision-making and appraisal of projects and activities.
- 5.3 Carlisle City Council recognises the impacts of climate change locally. Climate change has caused more extreme weather more often, locally this has been felt with serious flooding events in Carlisle in recent years. In 2019 Carlisle City Council declared a climate change emergency and have produced a Climate Change Strategy, which prioritises investment to support clean green growth and highlights the opportunity for climate change interventions to drive the growth of the local economy. The strategy sets out a number of objectives to reduce the carbon footprint for the whole of Carlisle and achieve a goal of net zero emissions by 2037. Therefore, it is important that the actions of the Economic Strategy are aligned to and support the achievement of this target.
- 5.4 It is recognised that there are inequalities across the District, in terms of pay, employment and education. Some communities have been ‘left behind’ and it is vital

that the future growth and recovery creates opportunities and increases prosperity for all. This Strategy reinforces the commitment of the Council to deliver inclusive growth and ensure that our activities provide meaningful outcomes for all communities - from creating new jobs, delivering new homes, providing greater training opportunities, promoting health and wellbeing and improving the leisure and cultural offer.

- 5.5 Additionally, a further priority is to respond to the challenges presented by the Covid-19 pandemic and plan for the recovery and renewal of the local economy. COVID-19 has exacerbated the trends in the retail industry. Trading restrictions and reduced footfall have pushed many businesses into permanent closure. This highlights the need for Carlisle city centre to adapt to changing behaviours to maintain vitality and viability. There are opportunities that have arisen as a result of the pandemic that could accelerate development of the Carlisle economy, the most obvious being the positive environmental impacts brought about by the general reduction in travel and much greater prevalence of home working.
- 5.6 Drawing on the evidence of needs, challenges, assets and opportunities, the following six priorities have been identified for the Economic Strategy, along with key actions for delivery.
- 5.7 **PRIORITY 1- DRIVING HOUSING AND POPULATION GROWTH**
- 5.7.1 A strategy of driving housing and population growth will address the shift in the age distribution of the population and increase the working-age population in the District. This will support economic growth by creating an available and skilled labour force and reducing the number of people reliant on key services including health and social care.
- 5.7.2 It is imperative that this growth is delivered in a way that is clean, inclusive and sustainable. Therefore, careful consideration must be given to the climate change credentials of new developments.
- 5.7.3 **Key Actions:**
- 1 **Production a Local Plan for St Cuthbert's Garden Village** – Develop and adopt the Local Plan that will provide the planning framework to support the planned delivery of 10,000 new homes and over 9,000 jobs to the south of city
 - 2 **Review of the Carlisle Local Plan** – undertake a review of the Local Plan, which was adopted in 2015, to ensure an adequate supply of deliverable housing and employment land.

- 3 **Remediation of the Caldew Riverside site** – Undertake detailed site investigation works and remediation of the site to enable the delivery a city centre living scheme to increase the city centre population to be progressed
- 4 **Development and delivery of ‘Start with the Park’** – Develop and deliver the project to improve cycling and walking connectivity to the Garden Village and the creation green infrastructure for the communities of Carlisle and future residents of the Garden Village

5.8 PRIORITY 2 – GROW OUR TARGET EMPLOYMENT SECTORS AND LEVEL UP OUR SKILLS BASE AND PRODUCTIVITY

5.8.1 Carlisle must not only grow our local economy but increase its reliance. Therefore, the focus must be on consolidating our strengths in areas such as advance manufacturing and logistics, but also growing smaller and formative sectors such as professional services and digital and creative.

5.8.2 It is clear that there are inequalities across our communities and therefore this strategy must address this by ‘levelling up’ and ensuring all our residents are able and encouraged to access training and learning opportunities. There is a need up upskill our local workforce and improve productivity to make Carlisle a more attractive place to invest and attract higher value sectors and employers.

5.8.3 Key Actions:

- 1 **Supporting the redevelopment of the Citadels site** – support the delivery of the scheme Deal to create a new campus for the University of Cumbria, to attract greater student numbers and boost the number of HE learners and graduates in Carlisle
- 2 **Supporting the delivery of a Business Innovation Hub in the City Centre** - support the delivery of the project to create a new business hub for the creative and digital sector, to support the growth of an emerging high value sector in the city to boost productivity
- 3 **Supporting the delivery of Digital and Community Learning Hub** - support the delivery of the project to create new learning hubs in the city centre and local centres, to improve digital access and skills.
- 4 **Facilitating the continued growth of Kingmoor Park Enterprise Zone** – Continue to support Enterprise Zone to grow and develop key employment sectors such as manufacturing and logistics

5.9 PRIORITY 3 - INCREASING CITY CENTRE VIBRANCY

5.9.1 For the strategy of driving housing and population growth to succeed, Carlisle needs to be an attractive place to live, work and visit and the city centre plays a key role in that overall offer. A vibrant city centre that functions as a hub for cultural, leisure and economic activity is a prerequisite for a younger demographic and therefore, key to increasing the working age population.

5.9.2 Increasing the mix of uses in the city centre will generate different kinds of footfall through the day and into the evening and increase the perception of vibrancy. The shift from a retail centre to a multifunctional hub will enhance the overall experience of the city centre and reposition it as a visitor destination.

5.9.3 The Council is proposing the formation of a new City Centre Taskforce to ensure our strategies and activities for city centre regeneration are shaped by key city centre stakeholders. The membership would aim to reflect the key sectors based in the city centre, including organisations from retail, property/real estate, professional services and cultural/community sectors. The group will provide feedback on our activities as below, as well as any future plans/strategies for the city centre. More detail on this proposal is available in report ED27/21.

5.9.4 Key actions:

- 1 **Creation of a new events space at the Greenmarket** – Upgrading of the area and the installation of infrastructure to create a focal point for the hosting of events in the city centre
- 3 **Redevelopment of the Sands Centre** – Investment in Sand Centre to improve the offer and experience and enhance the cultural and leisure offer in the city
- 3 **Improvements to the Market Hall** – Investment in the Market Hall, to improve the offer and experience, support local businesses and enhance the cultural and leisure offer in the city
- 4 **Progressing the redevelopment of the Central Plaza site** – progress the redevelopment of the site to support the businesses on Victoria Viaduct and the regeneration of the wider Station Gateway area.

5.10 PRIORITY 4 - ENHANCING DIGITAL AND TRANSPORT CONNECTIVITY

5.10.1 To ensure our local communities and businesses are not left behind and that growth is clean and sustainable, Carlisle needs to improve both transport and digital connectivity.

5.10.2 The lack of good digital infrastructure and connectivity makes the area less attractive to potential investors. The COVID-19 crisis has also increased the strategic importance of digital infrastructure to allow effective remote working through access to digital applications, services, and data.

5.10.3 Key actions:

- 1 **Supporting the delivery of Carlisle Station Gateway project** – support delivery of the scheme to upgrade the station, increase passenger usage and prepare it for HS2
- 2 **Supporting the delivery of the Southern Link Road and Gateway projects** - support delivery of the schemes to create a new connection to Junction 42 of the M6 and improve the highway network and streetscape within the city centre
- 4 **Supporting the production of a Carlisle Local Cycling and Walking Infrastructure Plan** – support production of a LCWIP that sets out a strategic approach to identifying improvements required in the City, to identify projects to improve the local cycling and walking networks.
- 5 **Supporting the development of the Borderlands Digital Programme** – Contribute to the development of a 4G mobile infrastructure in-fill programme to improve digital connectivity across the District.

5.11 PRIORITY 5 - SUPPORTING RURAL DEVELOPMENT AND INNOVATION

5.11.1 Carlisle has a large rural hinterland, whose communities account for around 30% of the total population of the District. The agricultural sector is very important to the local economy and the strength of the associated supply chain further increases its significance.

5.11.2 A key priority is to improve productivity whilst supporting natural capital. In areas of high quality land can be turned over to more productive uses that are compatible with local natural capital. The growing market for energy, fibre, pharmaceutical and industrial crops is an opportunity. Poorer land that cannot show a margin could be taken out of arable production and planted to trees or wildlife habitat to enhance local natural capital. There are substantial opportunities, as companies are now seeking carbon or biodiversity offsetting.

5.11.3 Key actions:

- 1 **Produce a Place Plan for Longtown** - Working with local businesses and communities in Longtown to develop and produce develop a Place Plan, to access funding for capital regeneration projects from the Borderlands Inclusive Growth Deal
- 2 **Produce a Rural Strategy** – Develop and produce a rural strategy to identify new priorities and actions, to support the development of the rural economy and respond to the challenges and opportunities presented by Brexit.
- 3 **Secure investment in the western route of Hadrian’s Wall** - Working with the Hadrian Wall Partnership, develop and produce a strategy for investment in the section of the wall that runs through the Carlisle District, to access funding from the Borderlands Growth Deal to improve the experience and boost visitor numbers
- 4 **Support the development of Natural Capital Innovation Zone** - Contribute to the development of natural capital investment programme funded through the Borderlands Growth Deal, to develop trials and sector strategies to capture the benefits of the region’s natural capital.

5.12 PRIORITY 6: PROMOTING CARLISLE AS A PLACE TO LIVE, WORK AND VISIT

5.12.1 To realise our growth strategy and grow our target employment sectors and attract investment, we must raise the profile of Carlisle as a place to invest and do business in and to live, work and visit.

5.12.2 This requires a multifaceted approach encompassing marketing and promotional activity, capitalising on our networks and activities with local, regional and national partners and working with government departments.

5.12.3 Key actions:

- 1 **Produce an investment prospectus** - Develop and produce an investment prospectus that can be used to market Carlisle to national and international investors and developers.
- 2 **Capitalise on the opportunities presented by the England’s Originals consortia** – Develop and deliver the suite of augmented reality products to promote the District and grow domestic and international visitor numbers.
- 3 **Develop a marketing strategy for the City** – Explore new and innovative ideas to promote a strong and coherent image of Carlisle to a national and international audience.
- 4 **Support and strengthen the Carlisle Ambassadors network** - Continue to support the activities of the Ambassadors network and expand activity into

business support and mentoring, to increase entrepreneurial activity and new business start-ups in the District.

6 CONSULTATION

- 6.1 A report outlining the key challenges economic challenges presented by Covid-19 pandemic and the implications for the national and local economy was considered by the Executive in July 2020. The also report set out the emerging thinking regarding the role of the Council's emerging economic strategy in the recovery and renewal process. Feedback from the Executive was that the strategy should be evidence-led in order to ensure that it responds to local needs and opportunities
- 6.2 A workshop was held with the Economic Growth Scrutiny Panel on 30 November, where an evidence base document was presented and considered by Members. The session focussed on agreeing what were the key needs / challenges facing the District from an economic growth perspective, then then opportunities / strengths that should be capitalised upon and finally, the priorities upon which the Strategy should focus.
- 6.3 An updated draft of the strategy was taken to the Economic Growth Scrutiny Panel on the 21 January 2021. Members of the Panel recommended that narrative around the Strategy delivering inclusive growth and ensuring that that activities and investments generate benefits for all communities should be strengthened. Further refinement of the Strategy and in particular, strengthening of Strategic Priority 3 (delivering clean green growth) and Objective 5 (supporting rural development and innovation) and Objective 6 (promoting Carlisle as a place to live, work and visit) were key outcomes.
- 6.4 The strategy was amended in line with these comments and approved by Executive for submission to Council on 2 June 2021. Following review by Overview & Scrutiny, the strategy will be submitted for consideration of Full Council on the 14 September 2021.

7 CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 7.1 This Strategy sets out a framework - based on a clear rationale, reflecting analysis of the key issues, challenges and opportunities - to drive clean, inclusive and sustainable urban and rural growth within the Carlisle District.

- 7.2 The production of Strategy has very much been evidence-led in order to ensure that it is developed to respond to local needs and opportunities. Up-to-date data has been used to ensure that the approach is pertinent to the current economic climate and challenges.
- 7.3 The Strategy recognises the role this Council has to play in delivering the Strategy through leadership, proactively using our resources and available powers where appropriate and utilising the land and property assets we own. Nevertheless, it equally recognises that that Council does not have control over all of the actions and activities required to deliver it. Therefore, it reinforces the commitment to working in partnership with our public, private and voluntary sector partners to deliver the objectives and outcomes.
- 7.4 It is recommended that Overview and Scrutiny:
1. Note the contents of the Strategy in terms of the challenges, opportunities, strategic priorities and objectives articulated.
 2. Note the framework and context for the production of the updated economic strategy, particularly the impacts of Brexit and Covid-19.

8 CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 8.1 The Economic Strategy will contribute to all five of the Carlisle Plan priorities:

- P1: Supporting business growth and skills development to improve opportunities and economic prospects for the people of Carlisle.
- P2: Further develop sports, arts and cultural facilities to support the health and well-being of our residents.
- P3: Improving the quality of our local environment and green spaces so that everyone can enjoy living, working and visiting Carlisle.
- P4: Address current and future housing needs to protect and improve residents' quality of life.
- P5: Promoting Carlisle regionally, nationally and internationally as a place with much to offer - full of opportunities and potential.

Contact Officer: Steven Robinson

Ext: 7535

**Appendices
attached to report:**

Appendix 1 – Draft Carlisle Economic Strategy 2021-2026

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS:

LEGAL – The Economic Strategy is a policy reserved to full Council as per Article 4 of the Constitution. Accordingly, full consultation is required so that the Executive are able to benefit from Overview & Scrutiny’s input and advice. The proposed policy will subsequently be recommended to Council for approval and adoption.

PROPERTY SERVICES – The Council owns a significant property portfolio that can assist with delivery of the strategy however careful consideration will be necessary to ensure that income generation is retained/maximised.

FINANCE – The Council supports the activities to underpin the Economic Strategy through investment in base budgets to fund the Economic Development team which then allows it to look towards inward investment opportunities and receipt of significant grant funding opportunities. External funding such as Towns Deal, Future High Street Fund, Garden Village and Borderlands Growth Deal will all help the Council to achieve the priorities outlined in the Strategy and further complement the funding the Council already provides.

EQUALITY – The declining working age population is a challenge within the Economic Strategy.

INFORMATION GOVERNANCE – There are no information governance implications with this report

Carlisle Economic Strategy 2021-2026

May 2021

V13

1. Introduction

- 1.1** The District of Carlisle comprises of large rural hinterland that encompasses the only city in Cumbria and the wider Borderlands region. This distinctive profile is a key strength and asset that amplifies the economic potential of Carlisle and generates significant opportunities for both urban and rural growth.
- 1.2** However, there are number of interconnected weaknesses and challenges that must be addressed in order for this potential to be fully unleashed.
- 1.3** This Strategy sets out a framework - based on a clear rationale, reflecting analysis of the key issues, challenges and opportunities - to drive clean, inclusive and sustainable urban and rural growth.
- 1.4** City Council recognises the role it has to play in delivering the Strategy through leadership, proactively using our resources and available powers where appropriate and utilising the land and property assets we own.
- 1.5** Nevertheless, we equally recognise that we do not have control over all of the actions and activities required to deliver this Strategy. Therefore, the City Council is committed to

working in partnership with our public, private and voluntary sector partners, as well as ensuring support is secured from our local communities.

- 1.6** The Strategy identifies the six priorities we will focus our resources and energies on across the next ten years to grow our local economy:
- (1) Accelerate housing and population growth
 - (2) Grow our target employment sectors and level up our skills base and productivity
 - (3) Drive the regeneration and transformation of the city centre
 - (4) Improve digital and sustainable transport connectivity and access
 - (5) Support rural development and innovation
 - (6) Promote Carlisle as a place to live, work and visit

2. The District of Carlisle in Context

2.1 Carlisle serves a wide geographical hinterland and has a substantial and uncontested sphere of influence. It is the business, residential, educational and retail capital of Cumbria and the wider rural Borderlands region, which encompasses a substantial portion of North West England and southern Scotland with a population of around 500,000 people.



2.2 Consequently, Carlisle has a large economic functional area with a high degree of self-containment and a large labour pool to draw upon.

2.3 Many of Carlisle's strengths are closely linked to its location, its physical infrastructure and the quality of its urban and rural environments.

2.4 The city enjoys excellent north-south road connectivity via the M6 and is similarly advantaged by west to east road and rail links. With a principal train station on the West Coast Main Line, London is under three and a half hours by direct services to the south with Glasgow and Edinburgh an hour to the north. This strategic positioning reinforces the District's role as a regional transport hub and a gateway to significant markets including Scotland, the North East, and the wider North West, as well as the opening up of international markets enabled by the airport.

2.5 Carlisle is a vibrant historic city and has a rural and stunningly beautiful hinterland with the Solway Estuary to the west; the Pennines to the east; the northern Lake District World Heritage Site to the south; the Eden Valley to the south-east; and Northumberland National Park in the north east. Coupled with the world heritage site of Hadrian's Wall and the city's distinctive shopping, leisure and cultural offerings, Carlisle is a popular destination for tourism, with visitor numbers and associated expenditure growing year on year.

Map showing Carlisle's Geographical Context and Sphere of Influence to be inserted...

2.6 Carlisle has a business base of around 6,000 active businesses, employing approximately 55,000 people which represents 25% of Cumbria's total workforce. A 3% increase in the number of employees has been observed in Carlisle between 2010 and 2015, supporting that there is job growth in the economy. 99.5% of Carlisle's businesses are defined as Small and Medium Enterprises (SMEs) which are categorised as those which employ less than 250 employees.

2.7 In 2019, East Cumbria (Carlisle, Eden and South Lakeland local authority areas combined) generated £6 billion in Gross Value Added (GVA). This accounts for 54% of Cumbria's £11.2 billion total. As East Cumbria's largest economy Carlisle is a key contributor to this figure and highlights its important role within the county.

2.8 Carlisle's key sectors, those which are the highest value in terms of GVA and where it has competitive advantage relative to other areas are manufacturing (both advanced and food), logistics and storage, construction, and agriculture. The district also has a number of enabling sectors, which are not necessarily high value in terms of GVA but play an important role in fulfilling Carlisle's role as a regional capital. These are

retail and leisure, health and social care and professional services.

2.9 The digital and creative industry is an emerging sector in Carlisle's economy and whilst this currently has a low value in terms of GVA, there is real opportunity to nurture growth. There is significant potential presented by the strength of arts and creative provision at the University of Cumbria and the anticipated growth in young people stemming from the planned housing growth centred on St. Cuthbert's Garden Village.

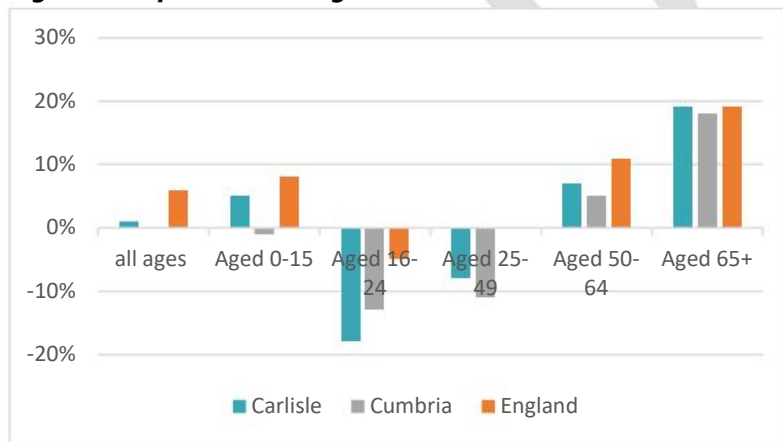
2.10 It is imperative that the actions of this Strategy seek to support Carlisle District's key sectors to grow and prosper, for enhancement in our enabling sectors linked to enhancing Carlisle's sub-regional role and for the incubation of our aspirational sectors to support a transition towards a higher-skilled and higher-wage economy.

3. Needs and challenges

3.1 Challenge 1- Declining working age population and retaining young people

3.1.1 Carlisle, in line with Cumbria and the wider Borderlands area, has experienced shift in the age distribution of its population. Figure 1 explains this trend, illustrating declines of 18% and 8% in the 16-24 and 25-49 age group respectively between 2001-2019. Conversely over the same period there has been an increase 19% in the 65+ age group.

Figure 1: Population change 2001-2019



Source: ONS, 2019

3.1.2 Consequently, the old age dependency ratio in the District is higher than the national average, with a ratio of 36.4 in the Carlisle compared to 29.5 in England¹. This indicates that greater proportion of the population is likely to be economically inactive due to old-age and, based on the shift in the age distribution, that the working age population is declining.

3.1.3 These trends demonstrate the need for Carlisle to grow its population and economy in order to stabilise and increase its working age population. To achieve this objective Carlisle must improve the liveability offer and critically, employment prospects for a younger demographic.

3.1.4 Carlisle lacks strength in key sectors, such as creative and digital and professional services to attract and retain graduates and young professionals. Despite the University of Cumbria enrolling over 6000 full-time equivalent students per academic year, the majority of graduates left the area to commence their postgraduate careers².

3.1.5 If these demographic trends continue there will be significant implications for the District: impacts on the provision of

¹ The ratio of the number of people of pensionable age and over per 1,000 people (ONS, 2019)

² Access and Participation Plan 2019-20, University of Cumbria

services and the sustainability and performance of the local economy. A declining working age population creates a dual problem of a lack of available labour force and an increased number of people reliant on key services including health and social care.

3.2 Challenge 2 - Low skill low wage economy

3.2.1 A high proportion of the economically active population in Carlisle are concentrated in low skilled low wage sectors, such as manufacturing, retail and leisure. These sectors collectively account for nearly 25% of employment in the District.

3.2.2 As Table 1 indicates, Carlisle has a relatively low skilled population with only 28% of the population holding NVQ4+ (or equivalent) qualifications, compared to the county and national averages of 32.5% and 40% respectively.

Table 1: Qualification levels by adult population (%)

Qualification level	Carlisle	Cumbria	England
NVQ4+	28	32.5	40
NVQ3+	51.7	55.4	58.5
NVQ2+	67.7	74.3	75.7
NVQ1+	85.2	89.4	85.8

³ ASHE, ONS: 2019

Other Qualifications	8.4	5.2	6.7
No Qualifications	6.4	5.4	7.5

Source: APS, ONS 2019

3.2.3 Consequently, average earnings in Carlisle are well below county and national averages, with a median annual salary of £20,929, compared with £24,003 and £25,118 for Cumbria and England respectively³.

3.2.4 The skills and qualifications of workers, the nature of employment and cost of labour all influence levels of productivity. This explains the relatively low productivity of the District, with the average GVA per worker in Carlisle only 90% of national average⁴.

3.2.5 The twin problems of a low skills base and low productivity results in difficulty in attracting high value sectors and employers to invest in Carlisle. Similarly, local employers regularly cite difficulty in recruiting for specialised posts due to a lack of skilled local labour.

3.2.6 Upskilling the local labour force and improving productivity is vital to drive economic growth in the District and grow our enabling and emerging sectors such as professional services, information and communications and digital and creative. In

⁴ Sub regional productivity, ONS 2018

addition is also fundamental that the right infrastructure is delivered and available to ensure that the right kind of premises and workspaces are available to encourage and accommodate the growth of these enabling and emerging sectors.

3.3 Challenge 3 - Lack of city centre vibrancy:

3.3.1 While the city centre has a strong sense of place, there is evidence that it lacks the vibrancy necessary to perform to its full potential as a regional hub.

3.3.2 The city centre economy currently relies heavily on its retail offer. The over-reliance on retail makes Carlisle highly vulnerable to fluctuations and further contraction of the retail sector and in order to improve the economic resilience and sustainability of Carlisle, the city centre must diversify with a greater leisure, cultural, residential and employment offer.

3.3.3 Only 8% of businesses in the city centre retail core contribute to the evening economy⁵. This means that city centre vibrancy is significantly reduced after 5pm, with local residents

identifying that the isolated streets in the evening can feel threatening.

3.3.4 Only 4,250 people live in the city centre area. The 'offer' of housing in the city centre is generally perceived to be low and particularly unsuitable for young professionals, the largest market for city centre living in the country⁶. The absence of a strong city centre residential community contributes significantly to the lack of evening activity. Increasing city centre living will also help create a greater demand for the city centre evening economy, as more people will live close to shops and bars, and therefore the city centre operates as a neighbourhood- as per the principles of a '15 minute city'⁷

3.3.5 Carlisle has a relatively weak visitor sector when compared to other small cathedral cities, such as York, Norwich and Lincoln. Between Carlisle 241,000 visitor trips, against 356,000 in Lincoln, 633,000 in Norwich and 1.24 million in York⁸. Despite its beautiful location and strong heritage offer, Carlisle is clearly underperforming as a visitor destination.

3.3.6 Improving vitality and viability of the city centre - through the diversification of uses and improving the residential, leisure and culture offer - is therefore a priority.

⁵ Carlisle city centre Health Check, 2019

⁶BBC (2018) 'The UK's rapid return to city centre living' available at: <https://www.bbc.co.uk/news/uk-44482291> [accessed 27.02.2020]

⁷ <https://www.15minutecity.com/> [accessed 10.12.20]

⁸ Mott Macdonald, 2020

3.3.7 Without intervention and a focussed strategy, the city centre could experience an accelerated decline in footfall and increased vacancy rates. This would have a significant impact on the Carlisle's role as a regional economic hub, the strength of the local economy – and income to the Council via business rates.

3.4 Challenge 4 - Inconsistent provision of good local digital and transport connectivity:

3.4.1 Public transport provision throughout the district is inconsistent, particularly in rural areas. Bus journeys are also consistently longer than comparative journeys by car. There is a lack of integrated walking and cycling routes into and out of the city, and particularly a lack of cycle routes into the city centre

3.4.2 Consequently, over 60% of travel-to-work journeys to Carlisle city centre are made by car⁹. Therefore, working in partnership with Cumbria County Council as the Highways Authority to encourage and facilitate greater levels of sustainable and active travel is a key priority. This model shift will contribute and support the ambition to transition to a net-zero carbon city.

3.4.3 Only 46.2% of people have access to superfast broadband in Carlisle, compared to 95% nationally¹⁰, indicating that the city has a lack of digital infrastructure

3.4.4 There is now widespread recognition that digital infrastructure is central to supporting local economies. Connectivity is one of the most significant barriers to growing the population and economy of Carlisle. The District is perceived as a peripheral location, but with improved digital connectivity perceptions of remoteness can be changed.

3.4.5 Poor digital and transport connectivity is holding the District back. The dominance of vehicles on highways and the lack of alternative sustainable / active transport mode choices impacts on the health and wellbeing of our communities and the local environment. Meanwhile the lack of good digital infrastructure and connectivity makes the area less attractive to potential investors and reduces the resilience of local businesses and residents to economic shocks such as the COVID 19 pandemic.

⁹ Mott Macdonald, Carlisle City Centre Transport and Movement Plan 2020

¹⁰ Connected nations update: Spring 2019 dashboard, Ofcom 2019

4. Strengths and Opportunities

4.1 Opportunity 1 - High quality of life offer

- 4.1.1 Carlisle is an affordable place to live- with an average house price of 136,721, significantly lower than the England average of £248,083¹¹. This makes Carlisle potentially attractive for first time buyers. Carlisle unsurprisingly has high levels of home ownership, 6% above the national average at 68%¹².
- 4.1.2 The city is set in beautiful rural surroundings and acts as a gateway to two UNESCO world heritage sites and is home to two Areas of Outstanding Natural Beauty (Solway Coast and North Pennines). Carlisle's beautiful natural heritage helps make it an attractive place to live.
- 4.1.3 Together the affordability and unrivalled natural capital give Carlisle a strong quality of life offer, which can make the city an attractive place to live in and invest in. Changes in lifestyle after COVID19 make living in Carlisle a more realistic offer for more people, as proximity to workplace becomes important, and flexible working arrangements are likely to become more commonplace.

4.2 Opportunity 2 – Carlisle as the regional capital of the Borderlands

- 4.2.1 As the only city and the largest settlement of both Cumbria and the wider Borderlands region, Carlisle acts as a regional capital of the Borderlands.
- 4.2.2 Carlisle is the economic driver of Cumbria and the Borderlands, generating £2.83 billion of GVA per year- making up a quarter of the total Cumbrian GVA¹³. The city is the regional centre for the Borderlands area, acting as a hub for 1.1 million (10% of the UK landmass). This context makes Carlisle both regionally and nationally strategically important.
- 4.2.3 Carlisle acts as a civic hub for the area and hosts a number of key public services and institutions, including Cumbria County Council, NHS, and the University of Cumbria.

¹¹ UKHPI December 2019

¹² Census 2011

¹³ Sub regional productivity, ONS 2018

Table 1: Employment rate (%)

	Carlisle	Cumbria	England
Males aged 16-64	82.8	82.5	80.2
Females aged 16-64	79.8	75.4	72.3
All persons aged 16-64	81.3	78.9	76.2

Source: DWP, 2020

4.2.4 Due to its role as a sub-regional hub, Carlisle has a high level of employment and economic activity. 81% of adults in the city are in employment. Carlisle has historically had high levels of employment, and despite the impacts of coronavirus, which has led to an increase in unemployment across the UK, Carlisle's level remains below the national average¹⁴.

4.2.5 This role and these assets give Carlisle a weighted importance above similarly sized comparable settlements. There is an opportunity to capitalise on Carlisle's role as a strategic location for housing, employment and commercial growth – given its size and connectivity.

4.3 Opportunity 3- Excellent strategic transport connectivity:

4.3.1 As well as being the geographical centre of the Borderlands region, Carlisle forms part of the geographical centre of the UK. This makes the city well connected to the rest of the UK.

4.3.2 Carlisle is situated on the West Coast Mainline and has good rail connectivity: approximately 1 hour from Glasgow and Edinburgh, 2 hours from Manchester, 3 hours from London and Birmingham by rail. Local rail links such as the Cumbrian Coastline and the Glasgow and South West Line makes the city well connected to other regional centres and act as an interchange for South West Scotland and West Cumbria.

4.3.3 Situated on the M6 corridor, Carlisle is equally well served by road- well connected to Scotland via the A/M74, the south of England via the M6 and Newcastle and the North East via the A69.

4.3.4 This makes the Carlisle easily accessible from most parts of the UK, reversing misconceptions of isolation, and instead putting the city at the heart of the UK, and a significant link between the Scottish and English economies.

4.4 Opportunity 4 - Growth potential:

4.4.1 Carlisle has significant growth potential and is already embarking on a significant growth journey. Carlisle is set to grow its population with the development of 10,000 new homes through St. Cuthbert's Garden Village. This

¹⁴ DWP 2020

development will help provide over 9,000 new jobs and support the reversal of the declining working age population.

4.4.2 Carlisle also has clear potential to support business growth. There is good availability of employment land across the district (80Has)¹⁵. The city is home to Kingmoor Park Enterprise Zone, the only Enterprise Zone in Cumbria, with over 30 Has of development land available, and new developments already underway such as the ModVillage.

4.4.3 Carlisle is a base for both manufacturing and transport and logistic industries, scoring highly on the index of specialisation. Manufacturing accounts for around 12% of

employment. Meanwhile, transport and storage accounts for 7.9% of employment compared with Cumbrian and England averages of 4.7%¹⁶. Building on the specialisms of the University, Carlisle has the potential to grow its creative and digital sector, a growing high value sector across the country.

4.4.4 Carlisle can grow in a way that no other area in the Borderlands region can. And as the only city, and a service centre for 1.1 million, the success of our growth agenda is critical to the growth of the wider Borderlands area.

¹⁵ Annual Monitoring Study, 2019

¹⁶ BRES, ONS, 2018

5. Our Strategy in Context

5.1 Driving recovery from COVID-19

5.1.1 COVID-19 has brought unprecedented social and economic challenges around the world. Measures brought in by governments across the world throughout 2020 and into 2021 put serious restrictions on certain sectors and have had a major impact on the economy.

5.1.2 Over the year of 2020, GDP in the UK contracted by 9.9%, the most significant falls on record¹⁷. Continued changes to restrictions to manage the virus spread have created a challenging economic environment for businesses, with rising unemployment and high debt.

5.1.3 Evidence from Summer 2020, when lockdown restrictions were eased, gives some degree of optimism about the potential for the economy to 'bounce back' once restrictions are eased. Despite this it is important to recognise that COVID-19 has exacerbated many of our challenges and altered the national and local context that we operate in. A study into the impacts of COVID-19 have highlighted the following issues and opportunities¹⁸:

5.1.3.1 Issues:

- COVID-19 has exacerbated the trends in the retail industry. Trading restrictions and reduced footfall have pushed many businesses into permanent closure. This highlights the need for Carlisle city centre to adapt to changing behaviours to maintain vitality and viability.
- Unemployment has risen during the crisis, and the inability to return many furloughed jobs has the potential to further increase unemployment. Job creation is therefore crucially important to driving recovery - underpinned by upskilling our labour force to increase the level of high-skilled employment.
- Poor Broadband connectivity in parts of the district have held some business and communities back during the pandemic, as more homeworking and online activity is likely to be sustained after the pandemic - it is vital that this is addressed.

¹⁷ ONS: GDP Quarterly Accounts, October-December 2020

¹⁸ Mott Macdonald: Carlisle COVID Baseline 2021

5.1.3.2 Opportunities:

- Carlisle has the opportunity to become a key long-distance commuter base, due to the potential for increased homeworking, comparatively low house prices and strong transport links- driven by its high quality of life offer and significant housing growth planned in coming decades.
- Due to proximity to the Lake District, as well as key assets in the District, such as Hadrian's Wall, Carlisle has the potential to benefit from a sustained increase in staycations, however, the hotel offer will have to develop to meet the demand.
- COVID-19 has prompted many people to change how the travel from place to place. Coupled with an increase in homeworking, there is an opportunity to encourage permanent shift in behaviour that reduces motor vehicle uses and increases active travel. This trend would improve healthy lifestyles and reduce vehicle emissions.

¹⁹ UK Government, UK-EU Trade and Cooperation Agreement Summary, 2020

5.2 Brexit

5.2.1 Following the vote to leave the EU in June 2016, and the completion of negotiations between the UK and the EU, UK has now left the EU. The Brexit 'transition period' ended on the 1 January 2021 following the agreement of a new Free Trade Agreement (FTA) between the UK and the EU. This brings the UK out of the EU's trading frameworks, including the Single Market and Customs Union, and ends freedom of movement between the UK and EU¹⁹

5.2.2 The full effect of Brexit on our local economy will become clearer as time goes on and the new arrangements have become more established, however early analysis outlines the following²⁰:

- The FTA ensures tariff free and quota free trade between the UK and the EU, however there are changes in import and export rules and process that export businesses will need to transition to, for example Rules of Origin.
- Business mobility rights have been agreed, allowing for short term travel (up to 90 days within a 180-day

²⁰ UK Government, UK-EU Trade and Cooperation Agreement Summary, 2020

period) to other EU nations. New immigration rules have come into effect. This 'points-based system' will impact on businesses which currently rely on workers from the EU and prioritises skilled workers.

- Between 2021 and 2027 the Basic Payments (the current farming subsidy system). The Government aims to refocus the way it provides subsidies and is launching an Environmental Land Management scheme which offers incentives for the provision of 'public goods' for example, clean air and water, mitigation of climate change and protection of natural heritage. The government is also launching a Farming Investment Fund to support investment in technology and infrastructure to increase productivity in UK farms²¹.

5.2.3 While a deal with the EU has been agreed, global trade remains an ever-evolving picture for the UK. New opportunities will arise for exporters and importers based in Carlisle as the UK agrees new trading relationships with other countries around the world.

5.3 Climate change and green growth

5.3.1 Climate change remains an ever-pressing issue, and the UK government has committed to making the UK a net-zero emissions economy by 2050.

5.3.2 Carlisle City Council recognises the impacts of climate change locally. Climate change has caused more extreme weather more often, locally this has been felt with serious flooding events in Carlisle in recent years. In 2019 Carlisle City Council declared a climate change emergency, and there is a local as well as national drive to ensure we transition towards a green economy.

5.3.3 The Climate Change Strategy²² outlines how the Council aims to de-carbonise its own activities and services. The Strategy prioritises investment to support clean green growth and highlights the opportunity for climate change interventions to drive the growth of the local economy.

5.3.4 The strategy sets out a number of objectives to reduce the carbon footprint for the whole of Carlisle and achieve a goal of net zero emissions by 2037. Therefore, it is important that the actions of the Economic Strategy are aligned to and support the achievement of this target.

²¹ DEFRA, Farming is Changing (2020)

²² Carlisle City Council, Climate Change Strategy, 2020

5.4 Aligning with other Local, regional, and national initiatives

5.4.1 This Strategy sits within a framework for local growth formed through strategies of the City Council and its local and regional, and national partners. We recognise that we share challenges and opportunities with other areas nearby, and that through close partnership working we can maximise the benefits of our joint actions. This includes working with partners such as Cumbria County Council, our neighbouring local authorities, the Borderlands Partnership and Cumbria LEP.

5.4.2 We will ensure that our strategy and activities continues to align closely with various local and regional initiatives and strategies, including:

- **Borderlands Inclusive Growth Deal:** The £452m deal is the first rural deal to be developed, and the only deal to cross the Anglo-Scottish Border. It includes six core investment themes: Business, Digital, Energy, Place, Destination, and Rural Innovation.
- **Cumbria LEP Local Industrial Strategy²³** sets strategic objectives that address Cumbria's key

challenges and opportunities: improving connectivity (physical and digital); investing in skills development; capitalising on productivity, innovation and enterprise potential; and inclusive economic growth.

- **Cumbria LEP Strategic Economic Plan²⁴** outlines key issues across the County that create a barrier to growth: low productivity, low skills base within the labour force, an underperforming visitor economy and comparably poor digital connectivity.
- **Cumbria County Council Economic Strategy²⁵** has a vision for Cumbria to be 'one of the fastest growing economies in the UK' by delivering innovative and sustainable projects that will secure a better quality of life for current and future generations.
- **Carlisle City Council's Local Plan (2015-30)** sets out a long-term spatial vision and strategic objectives to support the development of a thriving district.
- **Carlisle Town Investment Plan (2020-2030)** Establishes a vision for the City of Carlisle to be a "thriving centre for businesses, residents, education and culture" – consolidation of the city's position as the cultural, economic, population and employment centre of the Borderlands region.
- **Northern Powerhouse Strategy (2016)** sets out the Government's approach to "unleash the full economic potential of the North". It explains how Government

²³ Cumbria...the place to grow: Cumbria's Local Industrial Strategy (March 2019)

²⁴ The Four-Pronged Attack: Cumbria Strategic Economic Plan 2014-24

²⁵ Cumbria Economic Strategy 2009-2019: Cumbria County Council

will work with local stakeholders to address key barriers to productivity including: improving in transport and digital connectivity to raise skill levels and encourage business start-up and growth.

- **Cumbria Creative and Cultural Strategy and Carlisle Cultural Prospectus** set out the key role of

the creative and cultural industries in making Cumbria and Carlisle great places to live, work, study and do business.

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6. Priorities and objectives

6.1 One of key strategic priorities for economic development in the District is population and employment growth. However, in order to achieve this, there are five key preconditions or building blocks that must be in place for this to occur:

1. An **appealing housing offer** in terms of quality, mix and affordability
2. A good supply of **high-quality business space** that is flexible and adaptable
3. **Excellent connectivity** underpinned by fast, reliable and accessible digital and transport infrastructure
4. An **attractive built and natural environment** that contributes to quality of life and wellbeing.
5. A **vibrant city centre** that includes range of different uses and provides an experience to visitors

6.2 In order to achieve these preconditions and increase our working age population, housing and employment growth must be delivered in a way that is clean, inclusive and sustainable. The City Council has declared a climate change emergency and therefore our approach to growth must reflect our obligations to support Carlisle in becoming a net-zero carbon District.

6.3 Levelling up our communities is also a key strategic priority. There are inequalities across the District, in terms of pay, employment and education. Some communities have been 'left behind' and it is vital that the economic strategy creates opportunities and increases prosperity for all.

6.4 This Strategy reinforces the commitment of the Council to deliver inclusive growth and ensure that our activities provide meaningful outcomes for all communities - from creating new jobs, delivering new homes, providing greater training opportunities, promoting health and wellbeing and improving the leisure and cultural offer.

6.5 Additionally, a further key strategic priority is to respond the challenges presented by the Covid-19 pandemic and plan for the recovery and renewal of the local economy. There are opportunities that have arisen as a result of the pandemic that could accelerate development of the Carlisle economy, the most obvious being the positive environmental impacts brought about by the general reduction in travel and much greater prevalence of home working.

6.6 Therefore, there are three key cross-cutting themes are presented as strategic priorities and form the 'golden threads' that are woven throughout the Strategy:

- Strategic Priority 1 – Driving the recovery from Covid-19
- Strategic Priority 2 – Levelling up our communities

- Strategic Priority 3 – Delivering clean, green growth

6.7 Taking account of the three strategic priorities and drawing on the evidence of the needs and challenges of the District and also its strengths and opportunities, the following six priorities have been identified:

6.8 Objective 1- Driving housing and population growth:

6.8.1 A strategy of driving housing and population growth will address the shift in the age distribution of the population and increase the working-age population in the District. This will support economic growth by creating an available and skilled labour force and reducing the number of people reliant on key services including health and social care.

6.8.2 It is imperative that this growth is delivered in a way that is clean, inclusive and sustainable. Therefore, careful consideration must be given to the climate change credentials of new developments and ensure that efforts to maximise energy efficiencies and reduce carbon footprints have been made.

6.8.3 This strategy will enable Carlisle to continue to fulfil its important role as the city of the county and the wider Borderlands region.

6.9 Objective 2 – Growing our target employment sectors and levelling up our skills base and productivity:

This strategy involves targeting sectors that will not only grow our local economy but increase its reliance. Therefore, the focus must be on consolidating our strengths in areas such as advance manufacturing and logistics, but also growing smaller and formative sectors such as professional services and digital and creative.

It is clear that there are inequalities across our communities and therefore this strategy must address this by 'levelling up' and ensuring all our residents are able and encouraged to access training and learning opportunities. There is a need up upskill our local workforce and improve productivity to make Carlisle a more attractive place to invest and attract higher value sectors and employers.

6.9.1 In addition to skills of the local workforce, is also vital that the right infrastructure, premises and workspaces are available to encourage and accommodate the growth of these target sectors. This means ensuring that there is a varied supply, particularly in strategic locations such as Kingmoor Park Enterprise Zone and the city centre.

6.10 Objective 3 - Increasing city centre vibrancy:

6.10.1 For the strategy of driving housing and population growth to succeed, Carlisle needs to be an attractive place to live, work and visit and the city centre plays a key role in that overall offer. A vibrant city centre that functions as a hub for cultural, leisure and economic activity is a prerequisite for a younger demographic and therefore, key to increasing the working age population.

6.10.2 Carlisle City Centre is heavily reliant on its retail function and has comparatively small leisure and cultural sectors and a weak night time economy. The residential population is modest and there is been a trend of office-based businesses relocating to modern premises on the periphery of the city.

6.10.3 The changes on the high street and contraction of the retail sector has highlighted the vulnerability of the City Centre and therefore a strategy of diversification must be pursued. Encouraging and where possible, facilitating leisure, cultural, employment and residential development must be a priority.

6.10.4 Increasing the mix of uses in the city centre will generate different kinds of footfall through the day and into the evening and increase the perception of vibrancy. The shift from a retail centre to a multifunctional hub will enhance the overall experience of the city centre and reposition it as a visitor destination.

6.11 Objective 4 - Enhancing digital and transport connectivity:

6.11.1 The strategy to enhance digital and transport connectivity is vital to our economic growth objectives, given that they are particularly essential to the employment sectors targeted for growth: manufacturing, logistics, professional services and digital and creative.

6.11.2 The lack of good digital infrastructure and connectivity makes the area less attractive to potential investors. The COVID-19 crisis has also increased the strategic importance of digital infrastructure to allow effective remote working through access to digital applications, services and data.

6.11.3 The lack of alternative sustainable / active transport mode choices means that car dependency in Carlisle is high, which at times causes significant congestion and also impacts on the health and wellbeing of our communities and the local environment.

6.11.4 Carlisle needs to improve both transport and digital connectivity, ensuring its local communities are not left behind, and that we as a city achieve sustainable growth.

6.12 Objective 5 - Supporting rural development and innovation:

6.12.1 Carlisle has a large rural hinterland, whose communities account for around 30% of the total population of the District. The agricultural sector is very important to the local economy and the strength of the associated supply chain further increases its significance.

6.12.2 Brexit has increased the level of uncertainty in the agricultural sector and the wider rural economy, with the planned end of direct payment subsidies and traders currently facing extra costs with checks and additional paperwork for food exports.

6.12.3 Whilst the Covid-19 has presented challenges to the rural economy, it has had resulted in increase demand for locally produced food. This trend is likely to endure and filter into industrial food manufacturing and therefore, there is an opportunity for local producers to increase production to supply this growing demand.

6.12.4 A key priority is to improve productivity whilst supporting natural capital. In areas of high quality land can be turned over to more productive uses that are compatible with local natural capital. The growing market for energy, fibre, pharmaceutical and industrial crops is an opportunity. Poorer land that cannot show a margin could be taken out of arable production and planted to trees or wildlife habitat to enhance local natural capital. There are substantial opportunities, as companies are now seeking carbon or biodiversity offsetting.

6.13 Objective 6: Promoting Carlisle as a place to live, work and visit:

6.13.1 To realise our growth strategy and grow our target employment sectors and attract investment, we must raise the profile of Carlisle as a place to invest and do business in and to live, work and visit.

6.13.2 This requires a multifaceted approach encompassing marketing and promotional activity, capitalising on our networks and activities with local, regional and national partners and working with government departments such as the Department for International Trade.

6.13.3 From a promotional perspective, we can capitalise on our strategic location on the border of two nations, our position as the only city in the county and wider Borderlands region, our rich heritage and exceptional natural assets.

6.13.4 We can also champion the planned investment in our District which cumulatively is over £200m and includes the government funded projects through the Borderlands Growth Deal, Housing Infrastructure Fund, Future High Street Fund and Town Deal. This instils confidence and make a persuasive case for Carlisle as a place for further investment.

7. Action Plan

Objective 1: Driving housing and population growth:	
Key Actions	
1	Production a Local Plan for St Cuthbert’s Garden Village – Develop and adopt the Local Plan that will provide the planning framework to support the planned delivery of 10,000 new homes and over 9,000 jobs to the south of city
2	Review of the Carlisle Local Plan – undertake a review of the Local Plan, which was adopted in 2015, to ensure an adequate supply of deliverable housing and employment land.
3	Remediation of the Caldew Riverside site – Undertake detailed site investigation works and remediation of the site to enable the delivery a city centre living scheme to increase the city centre population to be progressed
4	Development and delivery of the first phase of ‘Start with the Park’ – Develop and deliver the project to improve cycling and walking connectivity to the Garden Village and the creation green infrastructure for the communities of Carlisle and future residents of the Garden Village

Objective 2: Growing our target employment sectors and levelling up our skills base and productivity	
Key Actions	
1	Supporting the redevelopment of the Citadels site – support the delivery of the scheme Deal to create a new campus for the University of Cumbria, to attract greater student numbers and boost the number of HE learners and graduates in Carlisle
2	Supporting the delivery of a Business Innovation Hub in the City Centre - support the delivery of the project to create a new business hub for the creative and digital sector, to support the growth of an emerging high value sector in the city to boost productivity
3	Supporting the delivery of Digital and Community Learning Hub - support the delivery of the project to create new learning hubs in the city centre and local centres, to improve digital access and skills.
4	Facilitating the continued growth of Kingmoor Park Enterprise Zone – Continue to support Enterprise Zone to grow and develop key employment sectors such as manufacturing and logistics

Objective 3: Increasing city centre vibrancy	
Key Actions	
1	Creation of a new events space at the Greenmarket – Upgrading of the area and the installation of infrastructure to create a focal point for the hosting of events in the city centre
3	Redevelopment of the Sands Centre – Investment in Sand Centre to improve the offer and experience and enhance the cultural and leisure offer in the city
3	Improvements to the Market Hall – Investment in the Market Hall, to improve the offer and experience, support local businesses and enhance the cultural and leisure offer in the city
4	Redevelopment of the Central Plaza site – progress the redevelopment of the site to support the businesses on Victoria Viaduct and the regeneration of the wider Station Gateway area.

Objective 4 - Enhancing digital and transport connectivity	
Key Actions	
1	Supporting the delivery of Carlisle Station Gateway project – support delivery of the the scheme to upgrade the station, increase passenger usage and prepare it for HS2
2	Supporting the delivery of the Southern Link Road and Gateway projects - support delivery of the schemes to create a new connection to Junction 42 of the M6 and improve the highway network and streetscape within the city centre
4	Supporting the production of a Carlisle Local Cycling and Walking Infrastructure Plan – support production of a LCWIP that sets out a strategic approach to identifying improvements required in the City, to identify projects to improve the local cycling and walking networks.
5	Supporting the development and delivery of the Borderlands Digital Programme – Contribute to the development and delivery of a 4G mobile infrastructure in-fill programme to improve digital connectivity across the District.

Objective 5: Supporting rural development and innovation	
Key Actions	
1	Produce a Place Plan for Longtown - Working with local businesses and communities in Longtown to develop and produce a Place Plan, to access funding for capital regeneration projects from the Borderlands Inclusive Growth Deal
2	Produce a Rural Strategy – Develop and produce a rural strategy to identify new priorities and actions, to support the development of the rural economy and respond to the challenges and opportunities presented by Brexit.
3	Secure investment in the western route of Hadrian’s Wall -Working with the Hadrian Wall Partnership, develop and produce a strategy for investment in the section of the wall that runs through the Carlisle District, to access funding from the Borderlands Growth Deal to improve the experience and boost visitor numbers
4	Support the development of Natural Capital Innovation Zone - Contribute to the development of natural capital investment programme funded through the Borderlands Growth Deal, to develop trials and sector strategies to capture the benefits of the region’s natural capital.

Objective 6: To raise the profile of Carlisle as a place to invest and do business in and to live, work and visit:	
Key Actions	
1	Produce an updated investment prospectus for Carlisle - Develop and produce an investment prospectus that can be used to market Carlisle to national and international investors and developers.
2	Capitalise on the opportunities presented by the England’s Originals consortia – Develop and deliver the suite of augmented reality products to promote the District and grow domestic and international visitor numbers.
3	Develop a marketing strategy for the City – Explore new and innovative ideas to promote a strong and coherent image of Carlisle to a national and international audience.
4	Support and strengthen the Carlisle Ambassadors network - Continue to support the activities of the Ambassadors network and expand activity into business support and mentoring, to increase entrepreneurial activity and new business start-ups in the District.

Table 1: Delivery Programme

The below table outlines the delivery programme for our key activities above over the lifespan of this strategy (2026).

Objective	Action	Council Led	2021-22	2022-23	2023-24	2024-25	2025-26
1	Production a Local Plan for St Cuthbert's Garden Village	Y					
1	Review of the Carlisle Local Plan	Y					
1	Remediation of the Caldew Riverside site	Y					
1	Development and delivery of the first phase of 'Start with the Park'	Y					
2	Supporting the redevelopment of the Citadels site	N					
2	Supporting the delivery of a Business Innovation Hub in the City Centre	N					
2	Supporting the delivery of Digital and Community Learning Hub	N					
2	Facilitating the growth of Kingmoor Park Enterprise Zone	Y					
3	Creation of a new events space at the Greenmarket	Y					
3	Redevelopment of the Sands Centre	Y					
3	Improvements to the Market Hall	Y					
3	Redevelopment of the Central Plaza site	Y					
4	Supporting the delivery of Carlisle Station Gateway project	N					
4	Supporting the delivery of the Southern Link Road and Gateway projects	N					
4	Supporting the production of a Carlisle Local Cycling and Walking Infrastructure Plan	N					
4	Supporting the development and delivery of the Borderlands Digital Programme	N					
5	Produce a Place Plan for Longtown	Y					

5	Produce a Rural Strategy	Y					
5	Secure investment in the western route of Hadrian's Wall	Y					
5	Support the development of Natural Capital Innovation Zone	N					
6	Produce an updated investment prospectus for Carlisle	Y					
6	Develop a marketing strategy for the City	Y					
6	Capitalise on the opportunities presented by the England's Originals consortia	Y					
6	Support and strengthen the Carlisle Ambassadors network	Y					

Project Development	
Project Delivery	

8. Monitoring and Evaluation Framework

8.1 Regular monitoring of our actions and the wider economic context of Carlisle is crucial to ensure that our growth agenda is delivered and any new issues and opportunities arising are identified and responded to. An annual monitoring report will be taken to Economic Growth Scrutiny Panel and Carlisle City Council Executive showing:

- Progress on delivery of the specific actions listed outlined in section 6, including analysis of outputs, outcomes and issues.
- Progress of the Carlisle's economic growth measured against the key indicators.

8.2 This will also support reflection on which objectives Carlisle is delivering and where challenges still lie; supporting amends to activities, refocussing energies and ensuring the Strategy remains 'live' and flexible to respond to a changing context. This annual report will be supplemented by reports and updates to relevant committees and partners on a case-by-case basis for each activity as and when appropriate.

8.3 In order to ensure we are delivering on our objectives we will undertake regular monitoring of our six objectives, measuring key indicators relating to each objective.

8.4 The below table provides a monitoring toolkit for this strategy, these high-level measures will be used to track Carlisle against characteristics of good growth, and against the

8.5 six objectives of this strategy. Where available the data for Carlisle will be benchmarked against the regional (Cumbria/Northwest averages) and National (England/UK averages) or against similar areas of the country, to put the data into appropriate context. The indicators selected are closely linked to our objectives, using sources that provide good quality data that is regularly available. Where useful, much of this data can be analysed by smaller geographical areas, for example the urban/rural geography, wards and LSOAs- which will be used to measure the delivery of inclusive growth.

8.6 These indicators will be reviewed over time to ensure continued fit with our priorities and relevance to this strategy's aims.

8.7 Due to the nature of the objectives and outputs that will be used to measure the success of these actions, as well as the timescales for each action, certain outputs will be measured with a different frequency than others.

8.8 Some outputs will need to be monitored regularly throughout the life of this strategy, to ensure that key changes are identified. Whereas other outputs- namely those that experience a gradual rate of change, do not require regular monitoring as to do so would only highlight less meaningful changes. This framework will outline the key outputs measured, the data sets used and frequency of monitoring.

Table 2: Monitoring toolkit:

Objective	Indicator	What does this show?	Source(s)	Baseline Data	Frequency of monitoring/reporting	Target direction of travel
Driving housing and population growth	number new homes built (completions) per year	Is Carlisle delivering the resources for population growth?	Carlisle City Council records	663 (2019/20)	annually	Maintain
Driving housing and population growth	Total population by age cohort	Is Carlisle reversing its declining working age population?	ONS- Population estimates – Local Authority based by single year of age	Total population: 108,678 (0-15: 18%, 16-24: 9%, 25-49: 30%, 50-64: 20%, 65+: 30%) (2019)	bi-annually? By 2026 (review when 2021 census based LA estimates are released- March 2022)	maintain/increase working age population (16-64)
Grow our target employment sectors and level up our skills base and productivity	people employed in growth sectors as a percentage of all jobs in Carlisle (Creative, Digital and IT, manufacturing and logistics)	Is Carlisle growing/maintaining its key sectors	ONS Business Register and Employment Survey Employee jobs by industry	Information and Communication (J): 1.4%, Arts, Entertainment and Recreation (R) 2.2%, Manufacturing (C): 10.3%, Transportation and Storage (H): 8.6%	by 2026	Increase J & R, Maintain C & H
Grow our target employment sectors and level up our skills base and productivity	Percentage of population qualified to NVQ4+	Is Carlisle growing its local skills base?	ONS Annual Population Survey: Qualifications	28% (2020)	Annually	Increase
Grow our target employment sectors and level up our skills base and productivity	Percentage of workers in managerial, professional and technical occupations (SOC 1-3)	Is Carlisle's proportion of high skilled workforce growing?	ONS Annual Population Survey: Employment by Occupation	37.5% (2020)	Annually	Increase
Grow our target employment sectors and level up our skills base and productivity	Median annual resident salary	Are earnings for average workers growing in real terms?	ONS: ASHE	£20,929 (2019)	Annually	Increase
Grow our target employment sectors and level up our skills base and productivity	GVA	Is Carlisle increasing output and closing the productivity gap with other areas of the U.K.?	GVA- ONS Regional GVA(I) by local authority in the UK	2.7bn (2017)		Increase
Increasing city centre vibrancy	City Centre vacancy rate	Is Carlisle maintaining city centre viability and supporting diversification where necessary?	City Centre Health Check	13% (2019)	Annually	Maintain
Increasing city centre vibrancy	Percentage of evening economy businesses	Is Carlisle growing its city centre evening economy?	City Centre Health Check	8% (2019)	Annually	Maintain/increase
Increasing city centre vibrancy	Footfall Counting	Is Carlisle city centre sustaining footfall despite the challenges to retail, maintaining its position as a regional hub?	City centre health check (springboard?)	N/A	Annually (monthly?)	Maintain
Enhancing Digital and Transport connectivity	Air Quality Monitoring: NO2 annual mean I of Exceedance in AQMAs	Is air quality improving in AQMAs? (indicating an improvement in transport connectivity)	Air Quality Annual Status Report- Carlisle City Council	34.9-42.7 (2019)	Annually	Decrease
Enhancing Digital and Transport connectivity	KM of cycling and walking paths created/improved by end of strategy	Are active travel routes and options improving in Carlisle?	Cumbria County Council/Carlisle City Council	N/A	by 2026	Increase
Enhancing Digital and Transport connectivity	Access to superfast broadband	Is digital connectivity improving across Carlisle?	Ofcom: connected nations update	46.20%	Annually	Increase
Supporting Rural Development and Innovation	GVA - Agriculture, Forestry and Fishing	is production in rural based industries being maintained?	ONS: Regional GVA (I) by local authority in the UK	£72 million	Annually	Maintain
Promoting Carlisle as place to live, work and visit	Number of Carlisle Ambassador Members	Is the Carlisle Ambassador network growing, increasing partnerships across the city?	Carlisle Ambassadors	307	Annually	Maintain
Promoting Carlisle as place to live, work and visit	Number of visitors to Carlisle per year	Is Carlisle improving its visitor offer and growing visitor numbers to the district?	STEAM	9.04 Million (2019)*	Annually	Increase
Inclusive growth measures	Economic Activity rate	Is Carlisle maintaining its high economic activity rate?	ONS Annual Population Survey: Economic Activity	83% (2020)	Annually	Maintain
Inclusive growth measures	Gender Pay Gap	Is the gender pay gap reducing in Carlisle?	ONS: Annual Gender Pay Gap Estimates (home geography)- Based on ASHE	16.10%	Annually	Decrease
Inclusive growth measures	number of affordable new homes built	Is Carlisle delivering enough affordable homes to ensure housing is available for all income groups?	Carlisle City Council records	151 (2019/20)	Annually	Maintain

8.9 At the end of the strategy's timeframe in 2026, a Monitoring and Evaluation report will be produced, using the above indicators (incorporating any amends to the above toolkit) as well as project specific evaluations under each activity listed in section 6.

8.10 The Monitoring and Evaluation report will identify where objectives have been met, where challenges still lie, and support the production of an Economic Evidence Base report which will include recommendations for a new Economic Strategy, based on the challenges and opportunities facing Carlisle in 2026, as well as an opportunity to reflect on 'lessons learned' from 2021-2026 to ensure the Council and its partner's activities continue to respond to the ever changing economic challenges and opportunities in an optimised manner.