

Environment and Economy Overview and Scrutiny Panel

Agenda
Item:
A.2

Meeting Date: 2nd May 2014
Portfolio: Economy and Enterprise
Key Decision: No
Within Policy and
Budget Framework YES
Public / Private Public

Title: CUMBRIA LOCAL ENTERPRISE PARTNERSHIP
Report of: Director of Economic Development
Report Number: ED 19 14

Purpose / Summary:

The report provides a briefing on Local Enterprise Partnerships (LEPs) and an update on the work of the Cumbria Local Enterprise Partnership (LEP).

Recommendations:

Issues to be explored

- Communication
- Governance
- Involvement of the Public Sector

Tracking

Executive:	
Overview and Scrutiny:	
Council:	

BACKGROUND

1.1 Cumbria LEP was set up in 2011 as a response to the incoming Government's focus on business growth and following the removal of the regional development agencies. There are 39 LEPs now operating, with 100% coverage across England. These vary in geography and in population size and density (see map). Cumbria is the smallest LEP with a population of just over 400,000.

1.2 The government required LEPs to be public /private partnerships which are private sector led. However, the Accountable Body function for much of LEP funding are local authorities. Following a commission from the Prime Minister, Lord Heseltine in his report "No Stone Unturned" made a series of recommendations in all aspects of Government policy which affect economic growth. The Government's response to the Heseltine review was issued on 20th March 2013. The report strengthens the role of LEPs in economic development and identifies the following key actions which are currently being implemented:

- Creating a single local growth fund, allocated through a process of negotiation and competition tension to strengthen incentives on LEPs and their partners to generate growth
- Asking LEPs to develop new strategic multi-year plans for local growth, which will be the basis on which the government negotiates deals with each LEP
- Streamlining the management of the EU Structural and Investment Funds and aligning priorities on the basis of the plans led by LEPs
- Supporting local authorities that wish to create a combined authority or implement other forms of collaboration (including proposals for formal collaboration between authorities that reinforce the standing of the LEP and enhance the partnership with the private sector)
- Stream-lining public bodies by transferring functions to the local level and the private sector where appropriate
- Reforming the education and skills system
- Encouraging businesses to develop and share their capacity for growth

1.3 The membership of the Cumbria LEP board is as follows:

Private sector board members (original and remaining) are:

- [George Beveridge, Nuclear Management Partners \(Sellafield\) Chair](#)
- [Jackie Arnold, BAE Systems Submarine Solutions](#)
- [Stephen Broughton, Lindeth Howe/Mountain Goat](#)

Private sector Board members (new as at April 2013) are:

- Graham Lamont, Winning Co. and Lamont Pridmore
- Marna McMillin, CEO Energy 4All
- Kate Milbourn, Walby Farm Park

Public sector members are:

- [Eddie Martin, Cumbria County Council](#)
- [Bill Jefferson, Lake District National Park Authority](#)
- [Moira Tattersall, Carlisle College, representing Skills & Education](#)
- + 3 District Council representatives

With regards the District Council representation, the Districts work in pairs swapping over representation as agreed by the partner authorities as set out below:-

- Barrow and South Lakes
- Allerdale and Copeland
- Carlisle and Eden

Carlisle swapped with Eden in 2013 and will sit on the Board for 2 years.

The partnership or buddy system did struggle initially due mainly to the fact that the papers were issued within 24 hours of the meeting to the representative board member only and marked private and confidential. This issue has been resolved to a certain extent now as the County Council are now sending the papers to Senior Officers responsible for Economic Development who meet on a regular basis and can brief the Board Member on the views of the other authority.

In addition to the Board the Cumbria LEP set up a number of sub-groups which support it. These included:-

- Housing and planning
- Skills and employment
- Access to finance
- Transport, infrastructure and communications
- Rural issues
- Third sector

In addition there is a private sector advisory panel which supports the private sector board members. With regards the public sector a working group has been established consisting of Senior Officers with responsibility for Economic Development, Planning and Housing and representatives from other public sector organisations e.g. HCA.

2. CURRENT ACTIVITY

- 2.1 Cumbria LEP has produced a Strategic Economic Plan (SEP) and Delivery Plan which has now been formally submitted to Government (see attached documents). In addition the LEP are working on a submission for European Funding (ESIF) which is due to be submitted in May following feedback from Government.
- 2.2 The next stage of the process is unclear but a Growth Deal is to be included by July 2014 following a negotiation phase. Two projects in Carlisle have been included in the shortlist –
- MoD Longtown £2.5m to provide an access to create an employment site delivering approximately 160 jobs
 - Durranhill - £3m to provide new road infrastructure to unlock employment sites delivering approximately 150 jobs
- 2.3 In addition the M6 Corridor has been included and the opportunities for economic development which includes Carlisle.

3. FUNDING

- 3.1 Cumbria LEP has already secured a number of funding programmes which are now in the process of being delivered.
- 3.2 **Regional Growth Fund (RGF).** The programme provides grants to SME's in Cumbria. The award totals £9m. The Programme will create/safeguard 600 private sector jobs and lever in excess of £30m of private sector investment over a two year period.
- 3.3 **Cumbria Infrastructure Fund (CIF)** is a loan programme to unlock delivery of jobs and homes. The LEP was allocated £6,162,467.00 from the Government to help support economic growth. Of the main CIF, £4,160,000 has been committed with £1,002,467 remaining.

4. OTHER ACTIVITY

- 4.1 LEP Operational Manager – LEPs do vary in terms of capacity. In Cumbria there is very little full time resource available. However, core funding is now available to support LEPs in increasing their support and capacity in order to drive forward their growth strategies and to allow longer term resource planning aiming toward self sustainability post April 2015. Match funding was required and this was sought

from the public sector partners. The LEP is currently in the process of recruiting a full time Manager to support the Board.

- 4.2 Governance/Communication – The Board are currently undertaking a review of the LEPs Code of Practice and Terms of Reference to ensure that there is transparency and accountability. In addition the LEP are developing a Communications Strategy to help raise the profile of the LEP.

5. CONCLUSION

- 5.1 Since LEPs were originally set up, the importance of LEPs has grown and the expectations regarding the breadth of influence has also increased. Housing, transport and skills are now seen to be areas for LEP involvement and influence.
- 5.2 It is important for the public sector to engage with the LEP in a co-ordinated way to ensure that the key priorities across Cumbria are delivered particularly as the responsibilities are extended to include areas which have traditionally been led by the public sector e.g. transport.

However there are a number of issues which as the LEP grows need discussion and clarification. These include; clear communication, protocols, good governance, transparent decision making and high standards of probity.

Contact Officer: Jane Meek

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**Appendices
attached to report:**

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 -

Deputy Chief Executive –

Economic Development –

Governance –

Local Environment –

Resources -

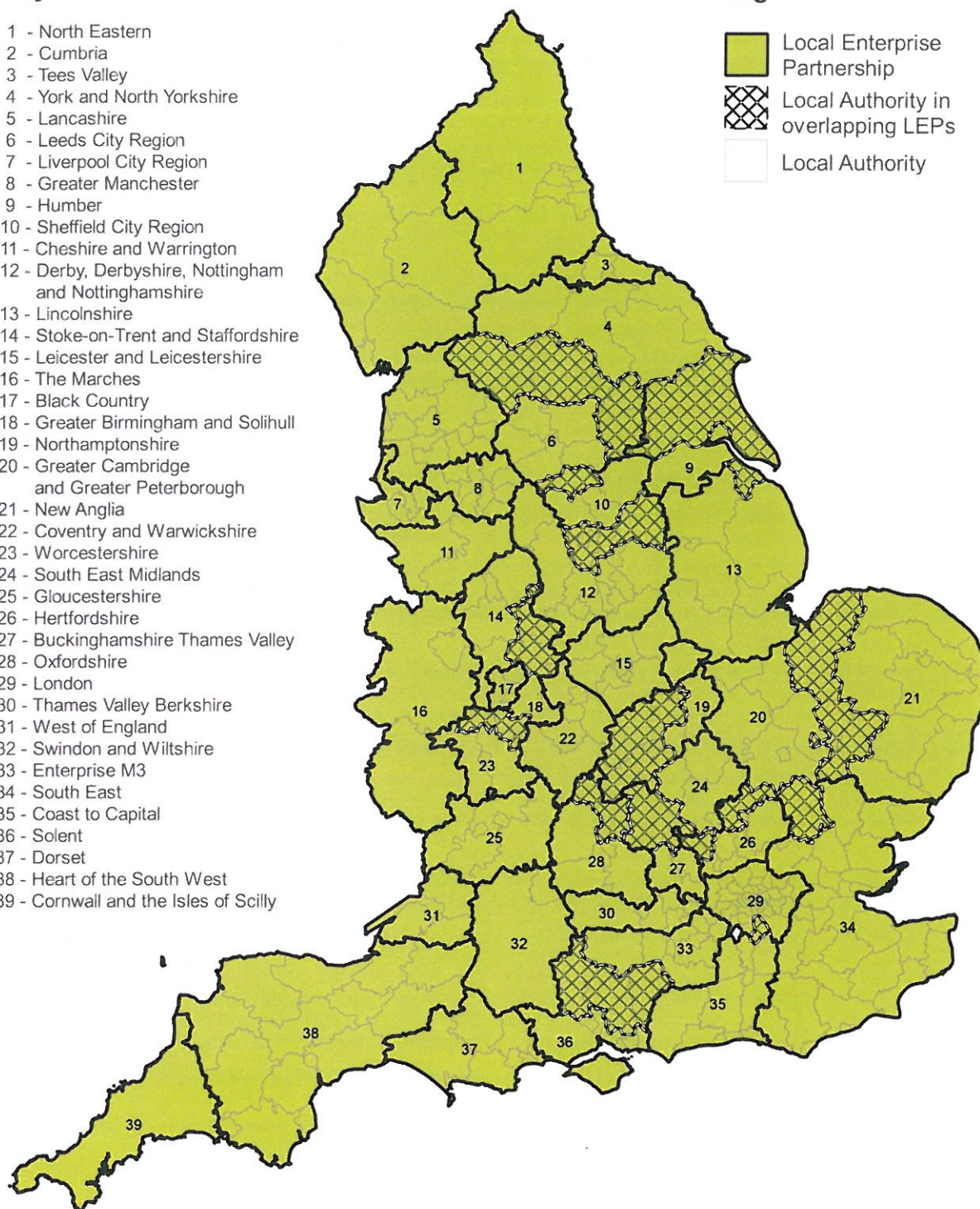
FIGURE 1.1: LOCAL ENTERPRISE PARTNERSHIP AREAS

Key

- 1 - North Eastern
- 2 - Cumbria
- 3 - Tees Valley
- 4 - York and North Yorkshire
- 5 - Lancashire
- 6 - Leeds City Region
- 7 - Liverpool City Region
- 8 - Greater Manchester
- 9 - Humber
- 10 - Sheffield City Region
- 11 - Cheshire and Warrington
- 12 - Derby, Derbyshire, Nottingham and Nottinghamshire
- 13 - Lincolnshire
- 14 - Stoke-on-Trent and Staffordshire
- 15 - Leicester and Leicestershire
- 16 - The Marches
- 17 - Black Country
- 18 - Greater Birmingham and Solihull
- 19 - Northamptonshire
- 20 - Greater Cambridge and Greater Peterborough
- 21 - New Anglia
- 22 - Coventry and Warwickshire
- 23 - Worcestershire
- 24 - South East Midlands
- 25 - Gloucestershire
- 26 - Hertfordshire
- 27 - Buckinghamshire Thames Valley
- 28 - Oxfordshire
- 29 - London
- 30 - Thames Valley Berkshire
- 31 - West of England
- 32 - Swindon and Wiltshire
- 33 - Enterprise M3
- 34 - South East
- 35 - Coast to Capital
- 36 - Solent
- 37 - Dorset
- 38 - Heart of the South West
- 39 - Cornwall and the Isles of Scilly

Legend

-  Local Enterprise Partnership
-  Local Authority in overlapping LEPs
-  Local Authority



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Cumbria
**Local Enterprise
Partnership**

unleashing potential through partnership

THE FOUR PRONGED ATTACK

Cumbria Strategic Economic Plan 2014–2024



March 2014

CUMBRIA LEP BOARD MEMBERS

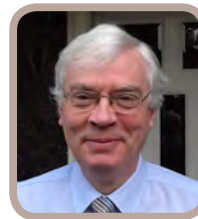


George Beveridge (Chair)
Sellafield Ltd

George Beveridge



Jackie Arnold (Vice Chair)
BAE Systems*



Stephen Broughton
Mountain Goat

Stephen Broughton



Bill Jefferson
Lake District National Park

Bill Jefferson



Katie Milbourn
Walby Farm Park

Katie Milbourn



Graham Lamont
Lamont Pridmore*



Marna McMillin
Energy4All

Marna McMillin



Cllr Peter Thornton – South
Lakeland District Council

Peter Thornton



Cllr Alan Smith
Allerdale Borough Council

Alan Smith



Moira Tattersall
Carlisle College

Moira Tattersall



Cllr Stewart Young
Cumbria County Council

Stewart Young



Cllr Colin Glover
Carlisle City Council

Colin Glover

MEMBERS OF PARLIAMENT FOR CUMBRIA



Tim Farron

Tim Farron



Rory Stewart

Rory Stewart



Jamie Reed

Jamie Reed



Tony Cunningham

Tony Cunningham



John Stevenson

John Stevenson



John Woodcock

John Woodcock

THE FOCUS



Cumbria is a big county with big plans. Working in the north west corner of England, adjacent to the Scottish border, Cumbria Local Enterprise Partnership (LEP) is focused on unleashing the economic potential of Cumbria by building upon the county's unique combination of assets.

We know we can't do everything for everyone. We need to focus and prioritise on projects and initiatives that will deliver our growth targets. This 10-year Strategic Economic Plan concentrates on FOUR strategic priorities with intervention through FOUR economic drivers. This 'four by four' approach will deliver the maximum benefit for Cumbria and drive economic growth at a county, national and international level.

Our four-pronged attack fully unleashes Cumbria's potential in both rural and urban areas and will bring the best return on public and private investment. Cumbria's business, public and voluntary sector partners, working through the Cumbria LEP, have identified the following priority themes:

- 1 **Advanced manufacturing growth**
- 2 **Nuclear and energy excellence**
- 3 **Vibrant rural and visitor economy**
- 4 **Strategic connectivity of the M6 Corridor**

Intervention will be focused on four economic drivers:

Business Support

Skills Development

**Infrastructure
Improvements**

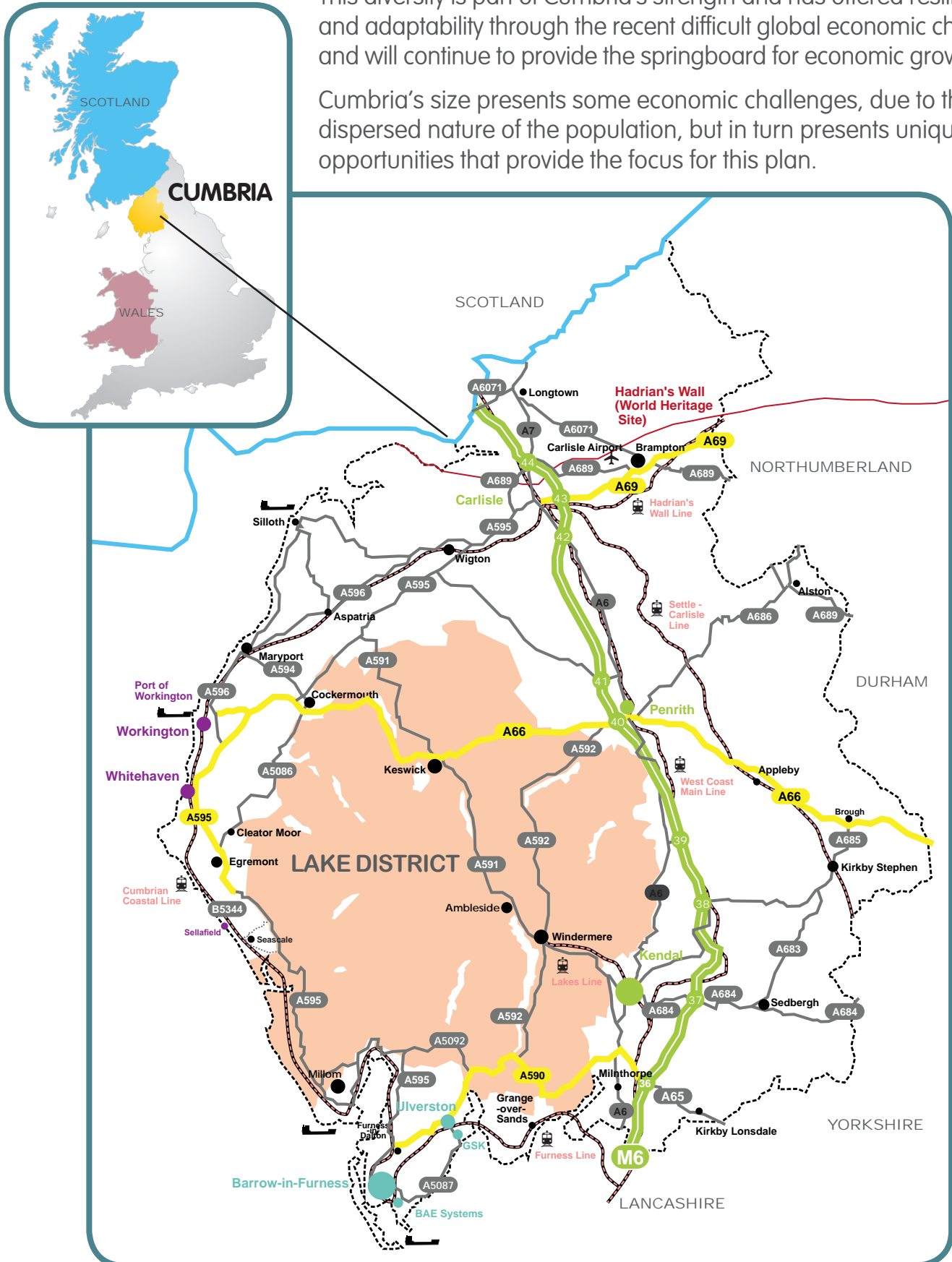
**Environmental
Sustainability**

THE POTENTIAL

The vision is for Cumbria to have one of the fastest growing economies in the UK, in an energised and healthy environment. Our economy is complex and diverse, encompassing world-class engineering, manufacturing and energy companies, alongside high-quality food and drink companies and a unique and unparalleled visitor offer.

This diversity is part of Cumbria's strength and has offered resilience and adaptability through the recent difficult global economic challenges and will continue to provide the springboard for economic growth.

Cumbria's size presents some economic challenges, due to the dispersed nature of the population, but in turn presents unique opportunities that provide the focus for this plan.



OUR OBJECTIVES



Our plan is focused on unleashing Cumbria's economic potential. The task for the LEP is to turn this ambition into a reality. With £12billion of major scheme investment in the pipeline for Cumbria, we are well placed to not only maximise the economic potential of Cumbria, but also to make a significant contribution to UK plc.

By delivering on the priorities as set out in our Strategic Economic Plan, between now and 2024 we will:

- Create 15,000 additional full-time equivalent jobs;
- Boost Cumbria's economy by £600m more than current predictions through targeted investment in key projects;
- Increase the county's GVA growth by 0.6 percentage points above current forecasts, yielding a GVA growth rate of 2.2% during the plan period;
- Support the local planning authorities to deliver 30,000 new homes through their Local Plans;
- Raise skill levels through working with local education and training providers, reducing the proportion of Cumbria's firms facing a skills gap by 3%;
- Increase visitor expenditure by over £500m;
- Increase the number of businesses reporting growth by 5% through the Cumbria Growth Hub support;
- Achieve 100% coverage of superfast broadband.

"This plan merges Cumbria's varied business sectors, from our rural food and tourism sectors, to advanced manufacturing and nuclear and energy. Speaking for the nuclear sector, there's an opportunity here for us to make the most of Cumbria's unique position as a world-leading centre of nuclear expertise. But we need to deliver the infrastructure and the skills base to help support future nuclear growth. This is a watershed moment for our economy, with the right support, we can really focus on delivering the full potential of these growth areas."

**George Beveridge, Chair of Cumbria LEP
and Chief Business Officer, Sellafield Ltd.**



**The LEP
through this
plan will aim to
deliver 15,000
additional jobs
and increase
GVA by £600m
by 2024.**

OUR ECONOMY

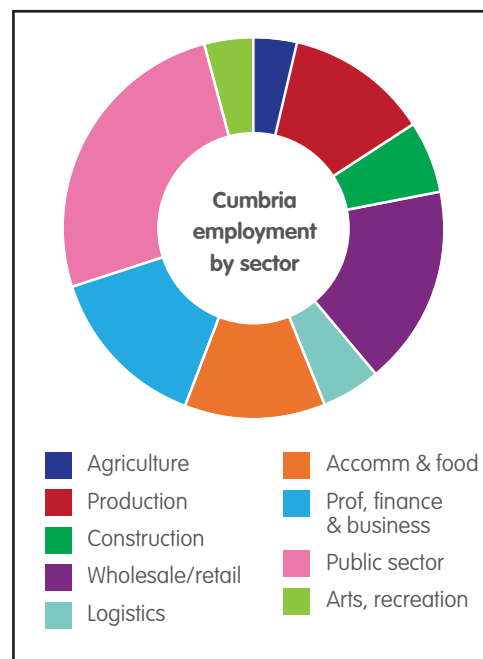
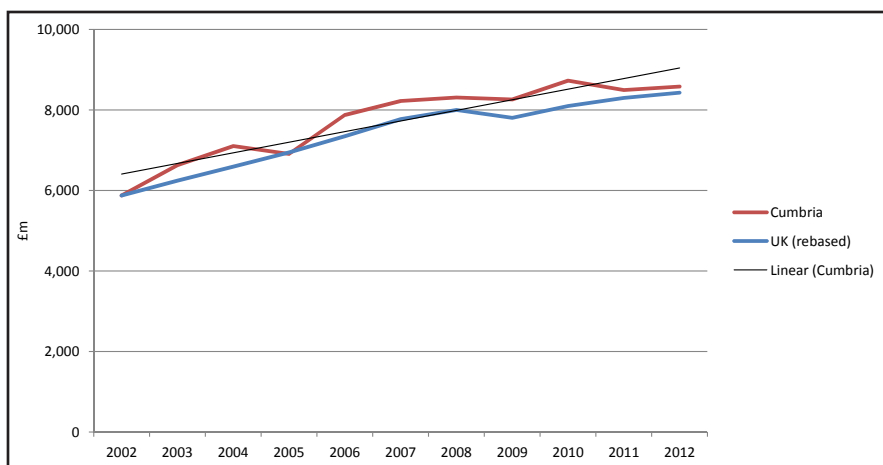
Cumbria is the second largest county in England and constitutes around 48% of the land mass of the north west. The county is home to 500,000 residents, with a workforce of 236,000 who are employed in 21,375 VAT/PAYE registered enterprises.

In the past decade Cumbria's economy has grown faster than nationally, with growth of 46.1% in GVA between 2002 and 2012 and was the 4th fastest growing sub region in the UK. Headline GVA for Cumbria at current basic prices stood at £8,578m in 2012. Much of this growth has been driven by West Cumbria, where manufacturing performance has been particularly strong due to the stability of major manufacturing operations.

Although manufacturing GVA in West Cumbria (Allerdale, Barrow and Copeland) has performed well in the past decade, East Cumbria (Carlisle, Eden, South Lakeland) still provides the higher share of Cumbria's GVA with 56% compared to West Cumbria's 46%.

Cumbria is home to a number of large, multinational companies who are major employers, and whose impact spreads much wider through their supply chains. Notwithstanding the significance of the large employers, our SMEs do provide the backbone of the Cumbrian economy, with 99.7% of businesses employing fewer than 250 people.

GVA growth



"Our company is embarking on a £20m investment programme in additional film capacity and a state-of-the-art gas turbine which will increase our global output by a further 10%. In addition we will be spending another £20m to build a new production plant at Wigton to produce our Guardian substrate as a result of winning the Bank of England contract to supply polymer substrate. We hope to see the Cumbria LEP supporting our growth ambitions by facilitating supply chain investment, creating the right climate for R&D, investing in transport infrastructure and improving the education and skills of young people in the area. The delicious irony of us helping the Government to print new money and the LEP explaining how Cumbria will repay Government investment many times over through economic growth is not lost on anyone!"

David Beeby, Chief Executive, Innovia Group





Headline
GVA for Cumbria
at current basic
prices stood at
£8,578m in
2012

A full assessment of Cumbria's economy has been undertaken to underpin this Strategic Economic Plan, the results of which are available separately. To summarise Cumbria's current state of play in terms of its key economic assets, the strengths and weaknesses of the local economy are summarised here:

STRENGTHS

- Strong long-term GVA growth
- Employment strong in manufacturing, hospitality, retail and food and drink manufacturing
- Number of internationally significant employers
- World class expertise and skills base in nuclear, energy and specialist manufacturing
- Resilient economy due to diversity
- Internationally renowned tourism 'brand'
- Significant environmental assets: LDNP, several AONBs, supporting our tourism offer
- Product strength in the agri-food sector linked to food and drink provenance
- High business survival rates
- M6 strategic connectivity

OPPORTUNITIES

- Potential to protect and build on high value manufacturing
- Environment sector – low carbon, renewables, higher value agri-products
- Maximising opportunities for innovation and diversification through developing the UK Centre of Nuclear Excellence
- Construction of a new nuclear power station at Moorside
- Supply chain development in our key sectors and exploitation of significant diversification opportunities
- Exploit opportunities for bringing manufacturing back to the UK which has previously been moved offshore
- Develop high value tourism offer
- Build further on our niche and artisan food and drink sector
- Connecting Cumbria broadband

WEAKNESSES

- GVA per job still low and signs of slow down in GVA growth
- Relatively weak employment in finance, IT and business sectors
- Projected decline in working age population
- Unemployment low but pockets of high rates and high youth unemployment
- Low business start up rate
- Transport, planning and skills reported as barriers
- Limited (secure) high-speed broadband and mobile phone coverage
- Lack of affordable housing in some areas
- Current housing mix unable to meet the needs to retain and attract staff, expertise and investment
- Connectivity to core growth sites of Sellafield and Barrow via A590, A66 and rail links to the West Coast Mainline

THREATS

- Economic conditions worsen – further squeeze on household spending / struggling exports with weak Eurozone demand
- Vulnerability to actions to reduce public sector deficit
- Manufacturing jobs in Sellafield and BAE are heavily reliant on public spending
- Demographic trends constrain indigenous workforce growth
- Failure to take advantage of the opportunities presented by our key sectors
- Lack of investment in social and leisure infrastructure – need a stronger offer for attracting and retaining working age families and individuals to settle in Cumbria

The Cumbria LEP has identified from the economic assessment **FOUR** key economic assets that provide the rationale for the development of the **FOUR** strategic priorities.

Advanced manufacturing growth

Cumbria has a long industrial heritage and manufacturing companies continue to be significant employers. Two of the UK's largest industrial sites are located in the county, involving the nuclear industry at Sellafield in West Cumbria and the submarine shipyard operated by BAE Systems at Barrow-in-Furness. Other production units operated by multinational companies can be found throughout the county, including Pirelli Tyres, Nestlé, United Biscuits, Iggesund Paperboard, Kimberley-Clark, Heinz, Sealy Beds, GSK bio-pharmaceuticals, Innovia Films and Siemens sub-sea technologies.

The strength and competitiveness of our manufacturing sector offers significant opportunities for growth. Manufacturing contributes £2.1 billion in GVA, 25% of the county's GVA, yet the sector only employs 15% of the workforce. The LEP recognises that most of the growth, both past and future, will come from indigenous businesses or companies already located within the county. Therefore it is important to work closely with our existing manufacturing businesses.

The significance of this sector is also recognised in the BIS Industrial Strategy (2012), reinforcing the need to support and stimulate private sector investment. 'The Future of Manufacturing' produced by Government Office for Science (July 2013) spelled out that over the next 30 years manufacturing will be very different from today, constantly adapting and unlocking new revenue streams. The sector therefore requires continued support and investment.

Over the coming decade there are a number of nationally-strategic investment projects in the pipeline for Furness and West Cumbria, including the construction of the Walney off-shore windfarm and new nuclear power station at Moorside with its associated National Grid, North West Connections project. These will create a foundation for Cumbria to develop its role as a hub for national and international supply chains, stimulate growth in local companies and attract and retain skills. Cumbria is on the threshold of a new era of development in global markets including life sciences, energy, defence and systems integration, and electronics and electrical products (including solid state lighting).

Manufacturing contributes 25% of Cumbria's GVA and only 15% of the workforce



"We have expansion plans which position our company as a centre of excellence and world-leader in specialist technologies. We anticipate that this will offer additional inward investment opportunities with the potential to attract other businesses to the region. In many ways, this mirrors the ambitions in the Strategic Economic Plan. We now need Cumbria to deliver the skilled workforce, the local infrastructure and the business support to match our ambitions."

Malcolm Wilson
Managing Director, M-Sport





Nuclear and energy excellence

The nuclear industry is one of Cumbria's and the UK's key assets, with a hard-won global reputation for excellence and innovation. Sellafield employs around 10,000 people, over half the UK's nuclear workforce, with thousands more in the supply chain in market-leading local companies such as James Fisher, React Engineering, TIS and Safety Critical.

The principal activities in West Cumbria are decommissioning, waste treatment and storage, and are major driving forces for the local economy. Sitting aside the home-grown firms are major international companies with a presence here such as Amec, Babcock International, Carillion, Doosan Power Systems and Energy Solutions. Countries across the globe are investing in both nuclear power and decommissioning. A number of Cumbrian firms are already exporting their products and services to Asia, the United States and Europe.

The Government's Nuclear Industrial Strategy, published in March 2013, highlighted the vital importance of West Cumbria in providing the R&D infrastructure needed to underpin Government energy policy. The county has seen new investment of £10m into the University of Manchester's Dalton Cumbrian Facility and NNL Central Laboratory to create a National Nuclear User Facility and provide new experimental equipment for nuclear academic research. Defence nuclear is also a key area of activity in the county.

With significant new UK nuclear investment opportunities for the private sector in the pipeline and potential for new nuclear build, the challenge is to use the nuclear expertise and investment as a means of diversifying and growing the local economy. Key to achieving this, and aligned to wider Government policies, is the strengthening of links between the nuclear industry and its supply chain to maximise the potential from innovation and the development of new technologies into new market opportunities.



**In 2012,
the county had
over 5m overnight
visitors and as
many as 33m
day trippers**

Vibrant rural and visitor economy

Cumbria has some of the most sparsely populated areas in the country, which presents economic challenges for sustaining rural communities. However, the rural nature of the county is also one of its best assets. Cumbria is a place of magnificent land and seascapes and tremendous resources. Its topography, location, economic structure and population distribution combine to make it a unique economic area.

The Lake District National Park attracts millions of visitors each year and is widely recognised as one of the most scenic areas of England. The landscape has iconic status due to its association with famous artists and poets including William Wordsworth and Beatrix Potter. Cumbria also contains part of the Yorkshire Dales National Park. The west of the county has a stunning coastline that presents opportunities for

economic growth. 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. Much of the county is rural in character and land-based activities are an important part of the economy. Key activities in the agri-food sector include agriculture, forestry, horticulture, conservation and environmental management, as well as outdoor activity and recreation; but most significant is tourism.

Cumbria has a strong visitor economy and continues to be one of the UK's most visited destinations, with 38 million visitors in 2012 (8% from overseas) generating £2.1 billion of visitor expenditure for Cumbria's economy and providing 31,200 FTE jobs (STEAM tourism data 2012). With forecasts for the tourism sector to grow nationally by 4% p.a. through to 2025 (Deloitte 2013), our rural economy needs to be promoted as a national asset for growth.

"Some people may see the terms 'business expansion' and 'preserving the natural environment' as mutually exclusive. But Cumbria's Four Pronged Attack has been developed sensitively and mindful of the fact that the county's natural environment is one of its greatest assets. My business depends on Cumbria making the most of its status as a world-class tourist destination, but more can be done to fully exploit this. We can further improve the sustainable transport offer, support rural businesses more effectively and improve the productivity of our natural environment."

**Stephen Broughton,
Managing Director, Mountain
Goat**





Strategic connectivity of the M6 Corridor

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. Logistics currently only represents just over 4% of employment and GVA in the county, but forecasts show potential for 6% growth in employment by 2024 - more than double the projected rate of employment growth across all sectors. Carlisle is the home of the iconic Eddie Stobart brand and Stobart Group, and both are a huge asset to the county.

**GVA in logistics
is forecast to
grow by 16%
over the next
10 years**

The M6 provides the strategic route through the county with the connections via the A66 and A590 to the industrial areas in West Cumbria and the Furness peninsula. The recently completed Carlisle Northern Development Route improves the road connectivity to West Cumbria from the north. Although there is good rail connectivity within the county, more needs to be done to improve our infrastructure assets to ensure access to global markets. The proposals for a revitalised Carlisle Airport would significantly enhance our connectivity to London and Dublin and onwards to international markets.

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, along with using Workington's port facilities for the import of raw materials for the construction process.

"Further unleashing the potential of the M6 corridor will be key to Cumbria's future prosperity. As a key employer in the region and national iconic brand, we can see the need to improve transport infrastructure in the county on many levels - road, rail and air. We also appreciate that the LEP needs to focus its energies and pick the projects that will deliver the maximum returns in the shortest time. In particular, we are delighted to see the LEP's identified priority to help bring more international visitors to Cumbria through increased international marketing and working to improve transport infrastructure including, importantly, Carlisle Airport. In addition, we are pleased to support the unlocking of further development at key sites along the M6 and improvements at the Port of Workington."

**Andrew Tinkler,
Chief Executive
Officer, Stobart
Group Ltd**



MAKING IT HAPPEN

1

Advanced manufacturing growth

Manufacturing, and advanced manufacturing in particular, accounts for approximately 20,000 jobs in Cumbria and offers very significant potential for growth through the LEP's plans to further unlock private sector investment.

The LEP's Regional Growth Fund programme is in place and already provides support to promote private sector investment, with a focus on manufacturing and SME businesses within the county.

Although manufacturing is important across the whole county, the sector has a significant concentration in the Furness peninsular. Investment proposals from major international blue-chip companies are set to create 3,000 jobs in the Barrow and Ulverston area. This includes a £350m investment by GSK in a new biopharm plant at Ulverston, creating 300 new jobs by 2021, and the investment of more than £300m at Barrow Shipyard in the Successor Deterrent Programme, which is expected to create approximately 1,000 new jobs by 2020 and generate £4billion of GVA for Barrow and £7 billion for the rest of the UK.

The A590 trunk road is vital to the economic success of the Furness area as it provides the only direct strategic road link from Barrow and Ulverston to the M6 and beyond. However, traffic on the road currently suffers from delays in the section west of Newby Bridge and through Ulverston due to the current junction arrangements. Direct rail access to Manchester is highlighted by businesses in the Furness area as a critical enabler to deliver their growth ambitions. The frequency of these direct services has reduced over recent years as a result of electrification of services between Scotland and Manchester and is further threatened by the Northern Hub project and associated electrification of lines around Manchester. Improvements are required to the Furness line is therefore imperative to the delivery of the significant growth potential in the Furness area.

Other barriers to growth for manufacturing include the need for integrating extended supply chains, the challenge of delivering the construction work associated with this investment, an inability to attract funds for investment, the high risk of research and development, the ability to attract and retain skilled people, and a lack of export market knowledge.

The aim of this priority is to address the barriers and to maintain and grow our sustainable world-class advanced manufacturing base, servicing global markets whilst underpinning the whole Cumbrian economy and inspiring people to be attracted to and enter the sector as a career path in Cumbria. This requires investment in the following programmes.

"We welcome the Strategic Economic Plan and are particularly pleased with the emphasis on the strength and competitiveness of advanced manufacturing in the county and the role this is playing in delivering growth and jobs. Cumbria is a very attractive location for investment and the Lake District National Park is a key factor in ensuring a good quality of life, helping companies like ours to recruit and retain excellent and committed staff. However, the SEP rightly highlights the vital importance of infrastructure investment in order to maintain the current momentum. In particular, there is a need for improvements in the A590 to ensure quicker access to the M6 and beyond."

Pat McIver, Site Biopharm Lead, GSK

Over a quarter of Cumbria's GVA is derived from the manufacturing sector, almost two and a half times the national average



1.1 ADVANCED MANUFACTURING INITIATIVE

Local workforce skills and supply chain growth will be vital to fuel and support the ambitions of our major blue-chip companies. The proposed scale of their investment and expansion plans needs to be matched by Cumbria delivering the business climate for them to prosper. There are many successful manufacturing companies throughout Cumbria with potential for growth. This county-wide programme will focus on the following key activities:

- Work through the Growth Hub to deliver a manufacturing supply chain programme to intensively support firms' ability to acquire and build capacity and capability through provision of specialist advice. This will include access to finance for innovative products and process improvement, R & D, capital investment and strengthening the supplier links. The Growth Hub will collaborate with other LEPs, the Manufacturing Advisory Service and UKTI to exploit opportunities for international trade and to secure new mobile inward investment and reinvestment.
- Develop an Advanced Technology Training Centre at Furness College and Engineering facility at Kendal College to assist in skills development, to include a graduate recruitment and apprenticeship programme focused on engineering skills development to help large employers and SMEs attract and retain staff.
- Build on the current Regional Growth Funding programme and seek additional Regional Growth Funding to continue the momentum and support for manufacturing growth through provision of grants and loans to unlock private sector investment.

1.2 GROWTH IN ULVERSTON

Large employers in Ulverston highlight the poor infrastructure as one of the most significant barriers to investment. The South Lakeland Local Plan identifies employment land on the south side of Ulverston - the development of this together with the proposed 1,360 new homes will compound the traffic impact on the existing junctions of the A590, adding to delays for

businesses and impacting on the attractiveness of the area for investment. Given the potential for new manufacturing growth in Ulverston, there is a need for investment in infrastructure.

Key activities for South Ulverston are:

- Securing private sector investment from manufacturing companies by using Regional Growth Funding.
- Addressing pinch points on the A590 by working with the Highways Agency.
- Investing Local Growth Fund to unlock 6.4ha of employment land for SMEs and supply chain businesses to accommodate over 700 jobs.
- Flood mitigation to enable development of housing and employment sites.

1.3 BARROW WATERFRONT

Considerable public investment has already been made in this strategic site and our plan seeks to build upon that by working with BAE, their supply chain and other manufacturing business to unlock private sector investment and job growth. The combination of investment in employment, housing and skills are the key elements for securing manufacturing growth in Barrow. Barrow Waterfront will be established as the LEP's Enterprise Zone and will involve the following key activities:

- Secure BAE as an anchor tenant at Barrow Waterfront, developing 4.9ha of vacant employment land.
- Use Cumbria Infrastructure Fund and Local Growth Funding to undertake ground works and servicing for the next phase of development. The overall site area being released is some 10 ha and can accommodate over 1,600 jobs through investment from supply chain businesses.
- Deliver infrastructure to stimulate private sector investment to deliver new high quality housing.
- Recycle HCA receipts and income and provide rate relief to new businesses on the site.
- Prepare a Local Development Order.



**Deliver over
3,000 jobs in West
Cumbria as well
as growing its GVA
contribution to the UK
economy over
15 years**

2

Nuclear and energy excellence

West Cumbria continues to be home to one of the most diverse and experienced centres of nuclear expertise in the world. This priority builds on our existing expertise for the benefit of both the UK taxpayer and the economy. The target is to deliver over 3,000 new jobs in West Cumbria and around 7,000 construction jobs, as well as consistently growing our GVA contribution to the UK economy over the next 10 years.

West Cumbria is at the forefront of investment in the nation's energy security, including the generation of low carbon energy and clean technology products. The area will make a major contribution to meeting the UK's energy needs as well as helping to deliver the Government's low carbon agenda through substantial renewable and nuclear new build investments. The county can capitalise on the area's unique fuel fabrication expertise for conversion of the UK's current and future plutonium stock into productive nuclear fuel.

By capitalising on our regional skills base and wealth of industrial knowledge and experience, together with growth and exploitation of the R&D infrastructure, West Cumbria is uniquely positioned to make a significant growing contribution to the UK economy, as contained within the National Nuclear Industrial Strategy.

Although West Cumbria has an established industrial base, its potential is constrained by its relative remoteness. The A66, A595 and A590 provide connectivity from West Cumbria to other parts of the county and to the M6 and the rest of the UK. Continued investment is required from the Highways Agency in the strategic road network.

The Cumbria Coastal Railway provides the infrastructure for a strategic link between the Port of Workington and Sellafield. This will be essential for the continuing requirements of the decommissioning programme, and also with inventory and materials for any proposed new build of reactors such as at Moorside. The line has significant untapped potential to carry a greater number of passengers, but is presently restricted by poor station

infrastructure, poor timetabling and an absence of a comprehensive weekend schedule. Engagement of Network Rail is critical to bringing about improvements to sustainable transport and economic growth in Cumbria.

Our primary aim is for West Cumbria to enhance its position in the global marketplace by growing and leveraging our existing, internationally unique strengths, and in so doing benefit Cumbria and the UK by becoming more economically diverse and resilient. This builds upon the West Cumbria Economic Blueprint signed off by both DECC and BIS at the national level and will be achieved through investment in the following programmes:

2.1 CENTRE OF NUCLEAR EXCELLENCE

Cumbria is already home to one of the most diverse and experienced centres of nuclear and defence expertise in the world. Using this as the springboard, a Centre of Nuclear Excellence will sell and export the UK's unique skills and expertise in the fields of research, development and innovation in advanced fuel development, robotics, decommissioning, spent fuel management and integrated waste management for use in the extensive and growing worldwide markets for nuclear new build, clean up and decommissioning.

"Cumbria's stunning natural environment also offers low-carbon and renewable energy business opportunities. But energy is a highly competitive sector and we need the kickstart and ongoing support that the Strategic Economic Plan will give us to continue to compete and prosper nationally and internationally."

**Marna McMillin,
CEO, Energy4All**



This programme will combine a focus on developing West Cumbria as the UK Nuclear Centre of Excellence, whilst growing and exploiting the R&D base in Cumbria. As well as seeking to encourage start-up companies, we will build on the existing world-class institutions in Cumbria, such as the National Nuclear Laboratory and the University of Manchester's Dalton Nuclear Institute, to ensure that the area maintains and develops its position at the forefront of cutting-edge capability in the nuclear, energy and clean technology sectors. We will prioritise turning innovative ideas into commercial successes and increase export opportunities. The development of specialist skills required to sustain a highly skilled and adaptable workforce, is critical to enabling growth. As such Cumbria is well positioned to make a significant contribution to the Government's aspiration for an elite nuclear college. Key activities will focus on:

- Create a Nuclear Technology Innovation Gateway that will be the centrepiece of the Centre for Nuclear Excellence, providing a physical link between the University of Manchester's Dalton Nuclear Institute and the National Nuclear Laboratory. The Gateway will house world-class research facilities, providing test bed facilities and technology demonstrators. The new facility will provide the focus for the development of new technologies in the fields of demonstration reactors, new uses for spent fuels and waste, sustainability in decommissioning, remote handling test centre and research technologies for waste disposal. This will be complemented by the development of a nuclear 'catapult', a Government-backed initiative to accelerate the commercialisation of new ideas.
- Provide business growth assistance through the Cumbria Business Growth Hub, with a focus on supporting commercialisation of innovations and spin-out businesses.
- Specialist skills development through the Energy Coast Campus to provide appropriate education and training at all levels in technical and business skills to meet sector needs and support local residents to access employment opportunities.
- Nuclear and energy supply chain development building on the established and successful Energy Coast Energy Opportunities Supply Chain Project.

2.2 LOW CARBON CUMBRIA

We plan targeted support to improve competitiveness in the business community through resource and energy efficiency advice that capitalises on the growing environmental goods and services sector. We will build on Cumbria's existing specialisms in

civil and defence nuclear technologies, forestry, off-shore wind and oil and gas sub-sea technologies. We will focus on the most efficient and sustainable use of the plethora of energy generation capabilities found in Cumbria's natural environment.

Delivery will be enabled through investment in the following four work programmes:

- Energy excellence – delivering Cumbria's renewable energy potential through Britain's Energy Coast and locally led low carbon energy projects.
- Access and support for innovation – developing current and emerging entrepreneurship in clean technologies.
- Energy and resource efficiency – business advice to SMEs to reduce costs, consumption and to enable business to fully utilise low carbon technology and investment in energy efficiency programmes.
- Market development – promoting existing technologies and innovation both locally and through export.

2.3 INFRASTRUCTURE, CONNECTIVITY AND EMPLOYMENT SITES

The right infrastructure to provide sustainable, resilient connections between businesses and their markets and workforces is fundamental to realising the economic potential in West Cumbria. Investment in localised highway improvements on key routes and other pinch points will help open up employment land within West Cumbria and improve access to several existing priority employment sites.

Key activities are as follows:

- Improvements to the coastal railway and sustainable transport to maximise its potential and capacity, including station hub enhancements. This includes current commitments from the Local Transport Body to invest in Maryport and Workington Transport Hubs.
- Investment in priority employment sites to secure business expansion opportunities and to attract private sector investment (including HCA assets).
- Developments at the Port of Workington, including improving access, to unlock development land as well as grow the port's ability to act as a multimodal transport hub.
- Investment in virtual connectivity technologies (superfast broadband etc) to support growth in high-technology businesses and academic research.
- Improvements to the social infrastructure (education and health) to strengthen West Cumbria's growth potential.

The visitor economy is predicted to grow by over £500m and create 7,600 new jobs by 2024

3

Vibrant rural and visitor economy

Cumbria is a large rural county, renowned for its world-class landscape and environment. The county contains the Lake District National Park, part of the Yorkshire Dales National Park, the Hadrian's Wall World Heritage Site and several designated Areas of Outstanding Natural Beauty.

The quality of its landscape is a key driver behind people choosing to live and work in the county and a key selling point for many of the products and services supplied from here. Protecting the quality of the environment is therefore vital to the success of many of our businesses.

We intend to capitalise on Cumbria's outstanding rural environmental quality and landscape. There are three main components of this aspect of the strategy.

Firstly, the visitor economy, including business tourism, is already the highest value sector in rural Cumbria, but it nevertheless presents significant growth potential. 'The Lake District: Cumbria' is an international brand thanks to the unique combination of cultural heritage, landscape, and adventure opportunities it offers. But currently only 8% of Cumbria's 38 million visitors come from overseas. Critically the brand needs to be strengthened to be recognised in the rapidly expanding tourism markets of South America, China, Japan and India. Overseas visitors are worth £68 per person per night compared with £54 for a domestic visitor. Improving movement and accessibility within the National Park and to the county will be critical to accommodate international visitor needs. There are also opportunities to further develop Cumbria's coastline and the historic city of Carlisle as a business and visitor destination.

Second, the resilience of Cumbria's rural economy requires a broad base, accommodating businesses from a range of sectors. Agri-related businesses, the environment and tourism are interlinked and interdependent; they need to complement each other to enjoy mutual growth. To further business start-ups and expansions, we want to build upon pioneering new approaches to business support already tested in Cumbria, and ensure digital connectivity is no longer a barrier to growth.

Thirdly, this world-class environment offers direct economic growth potential in its own right. Using the environment and Cumbria's natural assets to our economic advantage has particular appeal when this can offer effective environmental management as part of the process.

The investment programmes to support the rural economy are:

3.1 WORLD CLASS VISITOR DESTINATION

This programme will capitalise upon growing international visitor markets - increasing visitor numbers and visitor spend in the UK. Cumbria's international recognition and appeal will be enhanced and developed as a whole by using the Lake District (and its bid for World Heritage status) and the already established Hadrian's Wall World Heritage Site as attack brands for international visitors. Through targeted investment in the visitor economy, we plan to accelerate growth in visitor expenditure so that it increases by some £525m to more than £2.6bn creating 7,600 new FTE jobs by 2024. To address the barriers to visitor growth, we will focus on the following areas of activity in order to achieve the full potential of this growth market:

- Investment in destinations and attractions so Cumbria can compete on an international stage, including investment in the Windermere Waterfront Programme, Hadrian's Wall, and other destinations of appeal to the international visitor.
- Delivering sustainable transport infrastructure and interventions, making it easier for visitors to arrive and move between destinations and making innovative, integrated travel options an attraction in their own right. Cycling and walking routes are an important part of the overall visitor offer. There will be a particular focus on increasing the momentum and impact of the Local Sustainable Transport Funded Go Lakes Travel pilot.
- Significantly raising the international awareness, appeal and identity of Cumbria by hosting major, world class events and through targeted marketing by Cumbria Tourism. Cumbria LEP will also work with the North East LEP to strengthen the branding of Hadrian's Wall World Heritage Site.
- Increase international visitors through a combination of international marketing and working with the main transport infrastructure providers.



- Developing home-grown talent in hospitality and leadership skills through dedicated quality training.

3.2 RURAL GROWTH NETWORK AND GROWTH HUBS

Cumbria has a high proportion of small businesses, dispersed over a large rural county, with many rural communities constrained by limited access to support services, employment sites and affordable housing.

Digital connectivity is a key issue for rural communities. The Connecting Cumbria programme is already making good progress with the roll-out of superfast broadband to ensure 93% of the county will have speeds of at least 24 Mbps. Additional funding will be required for the remaining 7% supported by contributions committed by BDUK.

There is the opportunity to build on the pilot Rural Growth Network to broaden its reach and impact, working with the Cumbria Business Growth Hub to deliver support to SMEs and ensure that our rural communities are able to access the necessary business and community support. Key activities are as follows:

- Establish a wider network of hubs, delivering a range of business and community services
- Provide business support services through the Cumbria Business Growth Hub
- New and improved rural employment sites and managed workspace
- Provide affordable housing which supports rural communities and key workers
- Comprehensive superfast broadband, 4G mobile network coverage, and open public WiFi networks to bring businesses and communities together



3.3 ENVIRONMENTAL INFRASTRUCTURE

Cumbria's environment needs to be managed and protected in a sustainable way. While unlocking growth potential in our other strategic priorities, we need to take good care of our 'family silver' - our world class environment. This offers its own economic growth opportunities, for example Cumbria has the potential to become a market leader in the low carbon sector. To capitalise fully upon the environment in a sustainable way, the key activities are:

- Encourage the growth of the forestry industry, bolstering its commercial presence and value in Cumbria, establishing a Woodland Enterprise Zone and developing a forestry and timber programme
- Promote and support emerging opportunities in ecosystem management, including carbon brokering and biodiversity offsetting
- Assist the agri-food sector to establish a strong Cumbrian identity and brand for premium farm products, trading upon quality and provenance.
- Focus on the management of water, capitalising upon its ready supply and quality, and managing flood risk, both through upland land management and hard defences – with flood alleviation enabling pent-up demand for development and economic growth on land currently at risk from flooding
- Maintain and broaden the rural and agricultural skills base to support these critical land management practices.



19,000 new
homes and 5,000
new jobs can be
delivered in East
Cumbria by 2024

4

Strategic connectivity of the M6 Corridor

Providing the gateway into Cumbria, the M6 corridor and West Coast mainline provides East Cumbria with excellent inter-regional links. This connectivity makes the key settlements of Carlisle, Penrith and Kendal easily accessible and attractive locations for investment, while supporting and servicing the wider rural county.

Logistics and agri-related businesses are already thriving along the M6, with Carlisle hosting Eddie Stobart, a leader in the logistics and distribution sector, who has plans to develop Carlisle airport. Other leading businesses include the H&H Auction Mart at Rosehill – the largest mart in England, AW Jenkinson in Penrith, a national distributor of timber products, and Houghton Parkhouse in South Lakeland, a leading agricultural haulage manufacturer.

Discussions are underway to explore opportunities for cross-border collaboration with Scotland, building upon the economic inter-connectivity between north Cumbria and south west Scotland. The potential extension of HS2 to Scotland has potential benefits for both Cumbria and Scotland alike.

The potential of the Longtown munitions base north of Carlisle was highlighted by the recent announcement by the MoD to retain the site and explore commercial opportunities in areas such as logistics supply of biomass fuel, food and retail, nuclear decommissioning/new build, and coal. The site has further potential to dovetail with the Port of Workington's container handling facilities and rail network, developing Longtown as an effective dry port facility for onward distribution.

East Cumbria contributes over half of the county's GVA and its economic base is comprised of a diverse range of businesses. But growth in some parts of the corridor is constrained by a shortage of readily available development sites and critical transport, utilities, education and social infrastructure. Local authorities in East Cumbria are taking radical action through their Local Plans, to unlock development and investment opportunities. Although the Local Plans set the long-term strategic development framework, a concerted effort is required to achieve early delivery of the proposed employment and housing growth.

In the period up to 2024, it is forecast that 19,000 new homes and 5,000 new jobs can be delivered in East Cumbria. The strategic infrastructure in East Cumbria provides the backbone for connectivity within and into the county. In addition to the road and rail connectivity, the proposal for development of Carlisle will further enhance the county's connectivity to other markets. This connectivity and promotion of the M6 corridor opportunities are key to unlocking the economic potential and requires investment in the following:

4.1 EMPLOYMENT SITES

There is a need to increase take-up of employment land within the county and to address the barriers to developing allocated employment sites. The barriers are a combination of up-front infrastructure costs making investment unviable and a lack of financial investment confidence. By unlocking the sites it will provide the opportunity for small businesses to move up the employment ladder over time. However, financial support (grants and loans) will be required to stimulate private sector confidence.

The Cumbria Infrastructure Fund is already being used to kickstart development at Rosehill industrial estate (J43). Local Pinch Points Funding and the Cumbria Infrastructure Fund will deliver a package of highway improvements in Penrith that will unlock employment land at Gilwilly Industrial Estate capable of accommodating 730 jobs. Cumbria Infrastructure Fund may also be used to unlock delivery of Scroggs Wood in Kendal.

To complement this programme, a marketing and promotional strategy will be developed and employment sites along the M6 corridor will be brought forward over the period of this strategy, including:

- MoD Longtown
- Kingmoor Park
- Durranhill
- Penrith employment sites
- Kendal employment sites
- Mainline, Milnthorpe

Improvements to motorway junctions may be required to support the growth, particularly at J40 and J44 and connecting routes.



The LEP's Regional Growth Fund programme is helping to provide several businesses along the M6 with the stimulation needed to invest and grow. Further Regional Growth or Local Growth Funding will be required to complement the investment in the employment sites and to help accelerate delivery, combined with the provision of business support through the Growth Hub.

4.2 HOUSING DELIVERY

Carlisle City Council, Eden District Council and South Lakeland District Council have a combined housing requirement to deliver approximately 19,000 new homes by 2025. A large part of this housing requirement is in the urban areas of Carlisle, Penrith and Kendal and would result in delivery of 10,877 new homes by 2025, supporting approximately 1,700 construction jobs per year.

Housing affordability is a major concern in East Cumbria, with a high ratio between house prices and average income. As a consequence, housing affordability and supply is a significant constraint on the local economy.

This programme would work with the Homes and Communities Agency (HCA) to ensure delivery of affordable housing and to help speed-up delivery of market housing to support the growth aspirations for the M6 corridor. Recoverable investment funding will help support delivery of this programme. Funding could be re-paid via pooled S106 agreements or by Community Infrastructure Levy charges being introduced by local planning authorities.

"Our latest expansion plans will extend our output of ready meals by 20 per cent and boost our number of employees in Carlisle to over 1,000. This is a massive vote of confidence from the company in Carlisle and Cumbria. We are excited by the ambitions in the Four Pronged Attack, particularly the proposals for Durrhill and the vision to deliver 6,300 new homes in Carlisle. For us, this provides the reassurance that we will have access to a local workforce able to help fuel our growth ambitions."

William Duncanson, Carlisle Site Director, 2 Sisters Food Group

Key investments would include:

- Kendal town centre package of infrastructure and junction improvements to enable delivery of 2,185 new homes
- Penrith infrastructure and junction improvements to enable delivery of up to 2,392 new homes
- Carlisle infrastructure and junction improvements programme to enable delivery of 6,300 new homes.

4.3 CULTURE, EDUCATION AND LEISURE

There is a strong correlation between successful economies and places with a diverse and vibrant cultural, education and leisure offer. Kendal was recently voted the UK's second most popular place to live due to its quality of life and Carlisle has received a similar accolade. Good quality higher and further education institutions are recognised as being key drivers of local economies. Although the city of Carlisle and towns of Penrith and Kendal are recognised as attractive, more needs to be done to increase their vibrancy and in turn boost the attractiveness of East Cumbria as a location for commercial and population growth. Future investments 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.
- Improving our leisure and cultural facilities in town centres.
- Investing in our colleges to increase participation and to attract and retain young people in the county.
- Sustainable transport access and connectivity improvements



FOUR BY FOUR

The four key drivers needed for our four strategic priorities

There are **Four** essential areas Cumbria needs to focus on to create the conditions for growth and deliver its four pronged attack in advanced manufacturing, the nuclear and energy sector, the rural and visitor economy and the strategic connectivity of the M6 corridor. Investment will be required in the following **Four** areas to underpin our plan and deliver economic growth.

More detailed plans have been developed for each of the four economic drivers and are available as a technical annex to this plan. These technical documents include the details and supporting information for the proposed programmes and projects, together with the governance and delivery arrangements for deployment of public funding, in line with the four strategic economic priorities set out in this plan.

1 BUSINESS SUPPORT

Cumbria's businesses offer clear potential for significant further growth, right across the size spectrum – offering tremendous potential for the county's economy, given the right economic conditions, support and ability to access finance.

The 2013 Cumbria Business Survey reports that 28% of Cumbria's businesses grew their turnover last year, and 10% grew employment, with 9% growing staff or turnover by more than 20%. This positive picture is reinforced by current activity through initiatives such as Cumbria Business Growth Hub and the Regional Growth Fund, demonstrating significant growth and growth opportunities across the range of sectors among businesses of all sizes. This breadth of opportunity is particularly vital in its contribution to the robustness of our economy and its growth.

The same survey indicates that 68% of private sector businesses are looking to grow outputs, sales turnover and employment.

Cumbria's economy is becoming significantly less inward looking, with business increasingly taking advantage of opportunities to expand sales nationally and internationally. Interest in exporting is continuing to grow among both exporters and non-exporters.

The LEP recognises the economic contribution of large employers such as BAE and Sellafield, however, the majority of the growth will come from SMEs, so it is important that the right support, advice and finance is available to those SME businesses with growth potential.

Cumbria Business Growth Hub will be the focus of business support in the county, encompassing a range of private and public sector partners and a spread of activities supporting our SMEs in particular, through a range of co-ordinated initiatives from business start-up through every growth opportunity, inspiring and enabling them to achieve their huge potential.

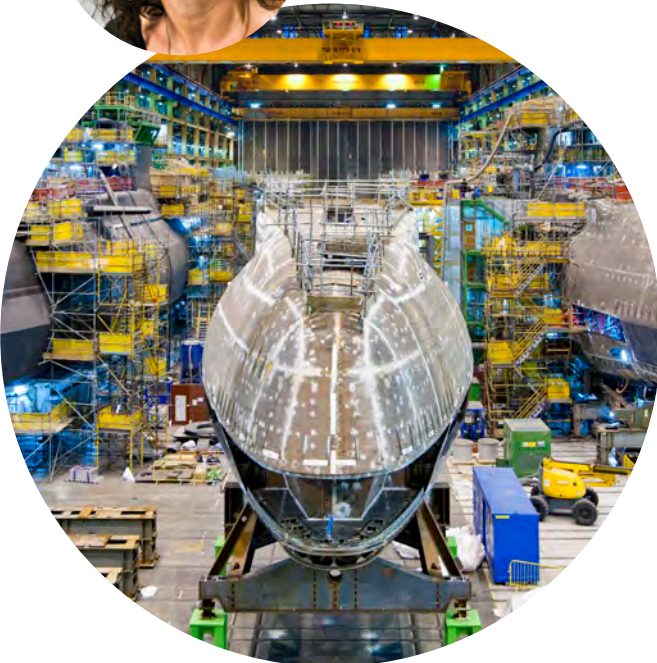
A one-stop-shop for business support the Growth Hub provides access to and encourages take-up of both funded and paid-for support. At its heart, it's about helping businesses to start, grow and to be competitive – increasing GVA and creating and sustaining jobs.

The Growth Hub includes a range of local, regional and national partners, and continues to draw in other partners, most recently UKTI, MAS and The Edge. As highlighted by the Witty Review, universities and HE providers have a critical role to play in supporting SME growth and their continuing engagement in the Growth Hub is seen as important.



“To support the continued delivery of complex, high-end manufacturing and engineering projects, such as the Astute and Successor submarine programmes for the UK Royal Navy, Cumbria needs to make sure it sustains a skilled workforce. In turn, this needs to be complemented by an expansive supply chain network. Cumbria’s Four Pronged Attack has been prepared with this in mind. We have huge ambitions and see the investment decisions made in the next few years as a once-in-a-lifetime opportunity to shape Cumbria for the future.”

Jackie Arnold, Vice Chair, Cumbria LEP and Head of Strategy and Business Planning, BAE Systems Maritime - Submarines



The Cumbria Growth Hub will also facilitate access to finance, including grant and loan support, building on the LEP’s Regional Growth Funding programme to provide financial support to SMEs to increase private sector investment, with a focus on manufacturing and exporters.

More detail on the opportunities, challenges and intended support is available in the Business Support Technical Annex.

2 SKILLS DEVELOPMENT

The people of Cumbria are one of its most important resources. For the local economy to reach its full potential, it is vital that Cumbrian people are fully supported to take advantage of the anticipated economic growth in the county. Guidance states that 20% of the ESF funding available should be targeted to address social inclusion. Whilst unemployment is relatively low in the county, there are issues of underemployment and pockets of high unemployment, as well as areas of significant social deprivation. These areas require targeted interventions to assist people to maximise their own potential.

It is important that employers have access to a workforce that has the required skills and the ability to adapt to changes such as rapidly changing technology. To that end, Cumbria LEP has established an employer-led Employment & Skills Commission to ensure that local education and skills provision meets the aspirations and ambitions of both learners and businesses alike. The Skills Plan is in development and will be overseen by the Employment and Skills Commission, ensuring delivery of the work programme for skills activity across the county to support the LEP’s economic priorities. More detail on the opportunities, challenges and intended support is available in the Skills Development Technical Annex.

There is a broad range of highly regarded education and skills provision on offer in Cumbria. Training is available from entry level to degree level and, importantly, a growing offer at post-graduate level that underpins Cumbria’s credentials as an area able to contribute towards cutting edge technological developments, particularly in the specialist manufacturing, energy and nuclear sectors.



“Our growth plans centre on expanding capacity to meet the anticipated increase in demand for our products out to 2023. It is expected our business will need to more than double the existing floorspace, with corresponding increases in jobs, capital expenditure and supply chain growth. It is of vital importance to our board when considering the case for growth in Ulverston that the infrastructure is in place and we can show that our plans have the backing of both local and national government. The success of Cumbria LEP in obtaining funding from UK Government under the Growth Deal will go a long way towards demonstrating that support.”

John Collins, Chief Financial Officer, Siemens Subsea Contractors

Attracting skills and knowledge is critical to meeting growth in key sectors in Cumbria. In particular there is a need to retain our ‘high-flyers’ as well as attract graduates to the area. Investment in the skills of our business leaders is also required to realise higher levels of business performance and productivity. Entrepreneurial skills and developing an enterprising culture is commonly recognised as critical to increasing innovation and productivity and as such needs to be embedded in all learning and training, particularly with young people. Innovation and enterprise skills are particularly important to unlocking growth in the advanced manufacturing and nuclear sectors.

Nationally, young people are experiencing barriers to employment and Cumbria has almost 2,000 young people aged 16-24 year who are claiming Jobseeker’s Allowance. We need to ensure our young people are inspired to seek employment in the many varied and exciting careers that already, and will in the future, exist in Cumbria. This will require high quality information, advice and guidance as well as access to learning provision and facilities that are state of the art and able to prepare learners for a business environment.

‘The Edge’ is already providing employer responsive training and development provision for SMEs. This programme establishes the foundations for helping people to succeed and supporting business growth. This programme will be further developed over the coming years and initiatives developed to address worklessness and improve social inclusion.

3 INFRASTRUCTURE IMPROVEMENTS

To grow, businesses need the appropriate communications, road, seaport and rail infrastructure to support current and future needs, as well as appropriate workspace and housing.

There are a number of sites with tremendous potential as business or housing locations, however, many of these need investment in infrastructure to unlock the development opportunities. To bring this to fruition, the private and public sector need to work together to ensure the right public infrastructure is provided that will unlock private sector investment.

Cumbria has an extensive highway network, the county council maintains 4,784 miles of highways, reflecting the size of the county. Maintenance of this network is particularly important for ensuring connectivity between towns and villages.

Housing is recognised as a key economic driver, both in terms of the jobs it supports (construction contributes £674m in GVA and 13,500 jobs to the Cumbrian economy) and to the economy as a whole. Providing new housing is essential to support economic growth, with an estimated 30,000 new homes required by 2025 across the county. Delivering an appropriate housing supply is fundamental to maintaining the workforce necessary to support the economy and requires investment.



There is also investment required in the full range of our strategic networks, including broadband, rail, road, cycleways and public transport to improve connectivity within and to Cumbria. Provision of broadband is a particular issue in Cumbria, with large areas not being commercially viable due to the dispersed nature of the population. With the increase of homeworking, the importance of fast and secure broadband is viewed as critical infrastructure to support modern working practices.

The county council is currently working with BT through the Connecting Cumbria programme to roll out next generation broadband. However, there remains challenges for addressing the last 7% that may require the use of new or alternative technologies.

The county council has strategic responsibility for public infrastructure services across Cumbria and as such will take the infrastructure lead on behalf of the LEP. The county council is already developing the programme of devolved major transport schemes agreed by the Local Transport Body and is administering the Cumbria Infrastructure Fund on behalf of the LEP. A LEP Infrastructure Plan Technical Annex has been prepared by the county council and will provide the supporting technical information for infrastructure projects.

4 ENVIRONMENTAL SUSTAINABILITY

Cumbria is renowned for its high quality environment. The LEP appreciates the economic value of our landscape and green infrastructure. It will work with the Cumbria Local Nature Partnership to promote and safeguard the inherent value of our environmental assets for the benefit of the economy. Opportunities will be taken to align investment with wider national environmental objectives, such as sustainable transport growth and ensuring the work of a Woodland Enterprise Zone meets the Government's Biodiversity 2020 objectives.

An exciting aspect of the SEP for Cumbria is the potential for our environmental quality to not only underpin the growth priority sectors but also provide significant economic opportunities in its own right. The county has a range of natural assets that can be harnessed to produce energy, thus supporting innovative business growth, providing access to cheaper forms of energy and contributing towards reducing carbon emissions. There are also opportunities to nurture and develop private markets for eco-system services.

A programme of activity is necessary to further the Lake District and Cumbria's ambitions to become an internationally leading low carbon brand. This brand identity will be earned through a focus on achieving best practice across sectors and developing new markets.

There are immediate environmental issues to be addressed, with climate change being a key issue for all in Cumbria, as illustrated by increasingly frequent damaging floods. Preventing flood damage through hard defences and improved upland land management will be crucial to encourage private sector investment, including locations such as Ulverston and Carlisle.

The Environmental Sustainability Technical Annex provides detailed information to demonstrate the integration of environmental sustainability in the SEP and also to justify future public investment in rural and environmental activities to support the four strategic priorities.

The new RDPE and LEADER programmes will be important to the LEP in helping to deliver against the environmental agenda, as well as providing the necessary investment for activities that benefit our rural businesses and communities.

STRATEGIC ECONOMIC INVESTMENT PROGRAMME

Here we summarise that Local Growth Funding will be required to deliver against the 12 investment programmes and 4 economic drivers, and the lead partners who will be responsible for making it happen over the next 10 years. This highlights the alignment with existing LEP commitments, EU funding and the work currently underway.

Project / activity	Existing LEP commitments	Other funding sources	EU Funding Theme 2014–2020	Local Growth Fund 2015 / 2016*	Lead LEP delivery partner
1 Advanced manufacturing growth					
Advanced Manufacturing Initiative	£9m from LEP RGF4 programme. The Edge is supporting manufacturing	Private sector, Furness College	Entrepreneurship, employment and skills	£0.67m	Growth Hub, Cumbria Colleges
Growth in Ulverston		Private sector and Environment Agency	Climate change	£3.3m	Cumbria County Council
Barrow Waterfront	£1m ear-marked from CIF.	BAE, HCA, Local Authorities		£7.2m	Cumbria County Council
2 Nuclear and Energy Excellence					
Centre of nuclear excellence	The Edge is supporting the nuclear sector	NDA, University of Manchester BEC and private sector	R&D, Employment and Skills, Entrepreneurship	£1.5m	University of Manchester
Low Carbon Cumbria	The Edge is supporting the low carbon sector	BEC, private sector	Low carbon	0	Growth Hub
Infrastructure, Connectivity and Employment Sites	£5m devolved major transport funding	BEC, NDA and Sellafield	Sustainable transport	0	Cumbria County Council
3 Vibrant Rural and Visitor Economy					
World Class Visitor Destination	£7m Go Lakes up to 2014, £650,000 from CIF	Private sector LDNPA	Sustainable transport	£2.25m	Cumbria Tourism, LDNPA, Cumbria County Council
Rural Growth Network sites and Growth Hub	£3m RGN pilot, £52m Connecting Cumbria, Revolving £1m Small Business Development Loan	Private sector, Cumbria County Council	Entrepreneurship, ICT, Social inclusion, Employment and Skills	£2.02m	Growth Hub, Cumbria County Council
Environmental Infrastructure	£170,000 from CIF	Environment Agency, Natural England, United Utilities	Climate change, environmental protection	0	Cumbria County Council, LDNPA
4 Strategic connectivity of the M6 Corridor					
Employment Sites	£1.2m from CIF £1.6m local pinch points	Private sector, HCA, District Councils		£5m	District Councils
Housing Delivery	£1.2m from CIF, £2.95m major devolved transport funding	Private sector, HCA, District Councils		£2.31m	District Councils
Culture, Education and Leisure	The Edge	Private sector, University of Cumbria and Cumbria Colleges, Local Authorities	Employment and skills	0	District Councils

*See Delivery Plan for future years.



Delivery of the 12 investment programmes will be underpinned by investment in our 4 economic drivers:

Business Support

Skills Development

Infrastructure
Improvements

Environmental
Sustainability

Delivery is the single most important aspect of the plan. A Delivery Plan has been prepared with the involvement of Mott MacDonald with a focus on deliverable projects for 15/16 that fit with the LEP's strategy and growth targets. Detailed business cases prepared by Mott MacDonald and Grant Thornton demonstrate that Cumbria LEP can make a good start in 2015 to deliver against the priorities in this plan. After 2015/16 Cumbria LEP will work towards the establishment of a county-wide strategic investment fund. The Delivery Plan will be updated on an annual basis and freedoms and flexibilities will be reviewed as part of this process. The following are identified as the key risks for delivery of the Strategic Economic Plan.

Risk	Likelihood	Impact	Mitigation
Delivery capacity Inability to deliver the investment programmes	Possible	High	LEP intends to draw upon resource from various partner organisations
Decision-making LEP making inappropriate decisions on use of public funds	Unlikely	Medium	SLA between the LEP and the accountable body
Partnership working Breakdown in working relationships between LEP partners	Unlikely	Medium	LEP governance has been revised and LEP is developing a more proactive communication and engagement strategy.
Value for money Programmes do not deliver value for money	Unlikely	Low	LEP will review all projects and programmes to assess value for money of investments

FREEDOMS AND FLEXIBILITIES

OUR DEAL

Cumbria LEP has identified the priorities that are important locally, however, these priorities will also have national benefits. As local partners we set out below 'Our Commitment' to working together to deliver against the agenda set out in this plan, we also set out below 'Our Asks' of the relevant national organisations whose support is critical to the delivery of growth in Cumbria. This is 'Our Deal'.

Cumbria has been working with other LEP areas to explore the scope for collaboration to further unlock economic growth, including opportunities for cross-border collaboration with the authorities that straddle the England-Scotland border. This work has identified a series of issues relevant to the local economies and has informed 'Our Deal'.

Infrastructure Improvements

Our Commitment	Our Ask
<p>We are committed to continued partnership working with national highway and rail organisations to ensure:</p> <ul style="list-style-type: none"> the future franchise specifications, infrastructure investment plans and decentralisation proposals reflect the vision for the Cumbrian rail network. the Train Operating Companies improve the quality and standard of rolling stock and station facilities. improvements to the speed and reliability of the Furness Line between Barrow and Lancaster and assist in the development of the business case for investment. a detailed business case is prepared for improvements to the Cumbrian Coastal Line in order to secure the services required to service the Energy Coast. High Speed Rail proposals bring real benefits to Cumbria. the Highways Agency route based strategies establish a co-ordinated approach to delivery of infrastructure improvements to the trunk road network in Cumbria, particularly on the A590, A595, A66 and A69. <p>We are committed through the Connecting Cumbria programme to deliver 93% coverage of superfast broadband and to use the BDUK funding to achieve 100% coverage.</p>	<p>To support transport infrastructure, we ask that:</p> <ul style="list-style-type: none"> the Highways Agency formally consults, with the Cumbria Local Transport Body on future investment plans and route based strategies in Cumbria. Train Operating Companies are obliged to consult with the Local Transport Body on their franchise proposals. The West Coast Mainline Coastal Line and Furness Line services are improved to service the Energy Coast and Furness area, including maintaining the through service from Barrow to Manchester Airport. The strategic investment priorities currently identified in the SEP are supported –the A590 at Ulverston, the A595 / A66 in West Cumbria and J40 and J44 on M6, as critical underpinnings to this SEP. <p>A pledge that the BDUK investment to deliver broadband to the final 7% will allow more cost-effective, flexible, innovative solutions to that of having to default to BT-supplied fibre.</p>



Skills Development

Our Commitment	Our Ask
<p>The LEP is committed to working with the Skills Funding Agency and higher and further education and training providers to ensure we have the facilities to equip people with the skills required to improve the capability of the Cumbrian workforce and to reduce worklessness.</p> <p>The LEP will develop an estates strategy to ensure that capital investment goes into the skills providers, who are providing the appropriate skills provision to support the SEP priority themes.</p> <p>Through the leadership of the Employment and Skills Commission we will work hard to ensure the skills plan meets with private sector expectations, and that training and skills programmes in Cumbria maximise capital investment and are honed to meet the demands of business, and the four priority themes of this SEP.</p>	<p>Support from national stakeholders is required to enable delivery of effective programmes that meet local skill needs through making changes to funding programme criteria:</p> <ul style="list-style-type: none"> • The ability to deliver higher level skills under European Social Fund (ESF) programmes. • Removing pre-qualification limits for beneficiaries on ESF programmes. • The ability to deliver non-accredited bespoke provision to enable the skills providers to meet business growth demands. • Opening ESF up to deliver interventions to 15-16 year olds, enabling us to address areas of the greatest inequality and support those at risk of becoming economically inactive. • Freedom to provide additional support to micro businesses and rural businesses in recruiting apprentices. • Funding agencies to work closely with the LEP to identify the skills need of local Advanced Manufacturing and Nuclear Businesses. • A flexible approach to funding including assessing the feasibility of the development of a dedicated local fund to finance skills provision to meet Advanced Manufacturing and Nuclear business needs.





Business Support

Our Commitment	Our Ask
<p>We are committed to making it easier for businesses to invest and grow. We will commit to:</p> <ul style="list-style-type: none"> Local planning authorities providing dedicated case officers to offer pre-application advice and to fast track applications for the advanced manufacturing and nuclear / energy businesses. Provide specialist advice and support from sector specialist staff in the Growth Hub. <p>We are committed to continuing our constructive working relationship with the Homes and Communities Agency to support housing delivery and to attract investment on our strategic employment sites, including Barrow Waterfront and Lillyhall.</p> <p>In addition to working with the HCA, the LEP will be encouraging new enterprise, expansion of existing businesses and inward investment. This would be complemented by the creation of Local Enterprise Zones with flexibility on business rates and simplified planning as per the proposal for Barrow Waterfront.</p> <p>We are committed to providing business support through the Cumbria Growth Hub and to delivery of support to businesses with growth potential.</p>	<p>We request the:</p> <ul style="list-style-type: none"> Waiving or funding of pre-application fees charged by Government departments or statutory consultees. Government requiring statutory consultees to give the same priority to Advanced Manufacturing and Nuclear applications as local planning authorities to ensure the fast track service can be delivered. <p>In respect of the proposed Enterprise Zone, we request enhanced arrangements including Capital Allowances for business in Advanced Manufacturing and Nuclear sectors, or BAE supply chain. This will attract additional occupiers and encourage the on-shoring of Advanced Manufacturing and Nuclear supply chain industries in particular.</p> <p>The Homes and Communities Agency agrees to use its assets to support the SEP, with a specific request to recycle income and receipts at Barrow Waterfront.</p> <p>A commitment from Government to assist the growth of Cumbrian businesses through further investment from the Regional Growth Fund.</p>

Environmental Sustainability

Our Commitment	Our Ask
<p>The LEP is committed to working with partners to create the conditions that will balance growth aspirations with the need for environmental sustainability. This will be achieved through working with the Cumbria Local Nature Partnership.</p> <p>We are committed to maximising the economic benefits from our natural resources, including opportunities for timber industries and low carbon.</p> <p>We are committed to supporting growth in our market towns that are critical service centres for the rural and visitor economy as well as supporting appropriate development in rural service centres within the National Park and improvements to connectivity.</p>	<p>A commitment to support the development of the Forestry and Timber Growth Plan by identifying a designated senior Government contact to whom progress and emerging issues can be reported to and who can ensure that links are maintained with relevant Government Departments as appropriate.</p> <p>Designation of a Woodland Enterprise Zone for Cumbria.</p> <p>For National Parks to be identified as test beds for innovation and pilots for testing new approaches to transport and movement.</p> <p>A higher grant rate for affordable housing from Homes and Communities Agency due to the additional design requirements and associated building costs in National Parks.</p> <p>Preparation of an addendum to the 'rural' / 'urban' classification that recognises the significance of "market towns" to the rural economy, even though a significant proportion is classed due to their size (greater than population of 10,000) as "urban". This would allow Government policy and funding relating to market towns not to be restricted by the notional 10,000 rural population split.</p>



OUR GOVERNANCE

The county council will be the accountable body for Cumbria's Growth Deal*. The council will build upon existing governance arrangements to administer public funds and support the delivery of this plan. LEP delivery capacity will be drawn from the resource and capability within partner organisations, with the LEP Board retaining responsibility for the strategic overview and direction.

The LEP Board is comprised of six private sector members and six public sector members, with a private sector Chair. It is supported by the LEP Manager, who draws upon the resource and relevant expertise from within the partner organisations.

The Cumbria Leaders' Board is a long established partnership of public and third sector bodies, including all the local authorities who are represented on the LEP Board. It provides the forum for public sector partners to co-ordinate their activities to support the LEP.

The Private Sector Advisory Panel provides the forum for private sector partners to co-ordinate their activities to support the LEP.

The LEP Board has recently reviewed and refined its governance, including the Code of Practice and Terms of Reference to ensure appropriate governance arrangements are in place to support delivery of this Strategic Economic Plan. The revised governance will ensure that there is open and transparent decision making in relation to the allocation and deployment of public funding to support the county's economy, and necessary monitoring and evaluation of delivery.

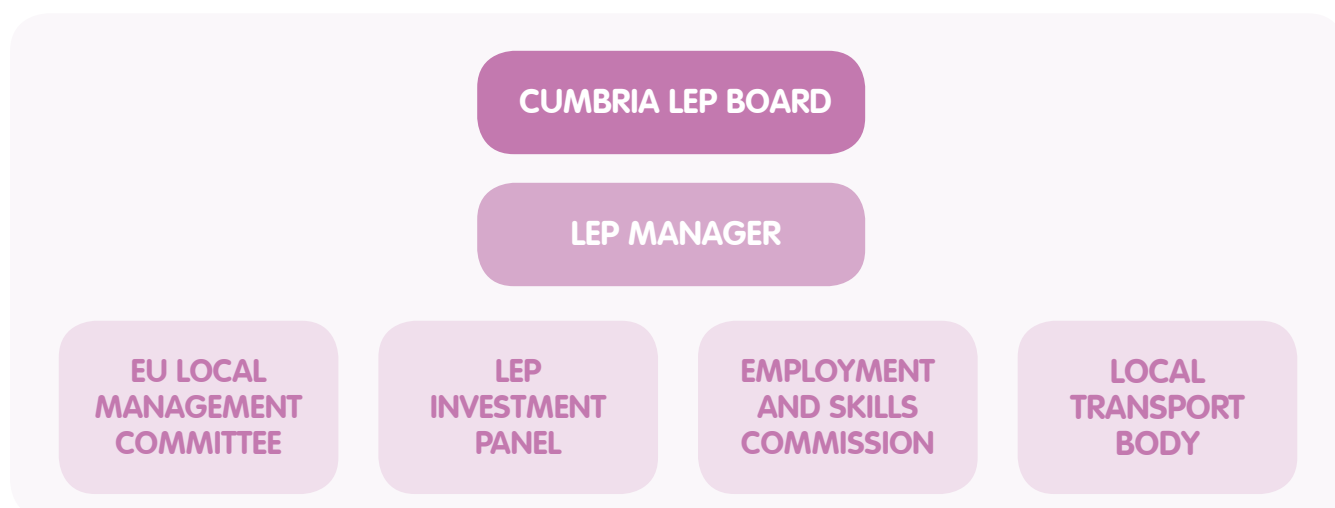
The new governance includes a Service Level Agreement (SLA) between the LEP and the county council, as accountable body for LEP funding programmes. This includes the funding the LEP has received from the Regional Growth Fund, Growing Places Funding (re-named locally as the Cumbria Infrastructure Fund), Rural Growth Network, Devolved Major Transport Scheme Funding and any future funds secured through a Growth Deal.

The SLA provides the assurance framework for the deployment of public funding on behalf of the LEP in line with the accountable body functions and responsibilities of the county council.

The LEP Board has established four sub-groups to support the management and delivery of the Strategic Economic Plan. Set out below is our governance chart and the respective sub-groups. Separate terms of reference have been agreed for each of the sub-groups as part of the LEP's revised governance arrangements.

*subject to Cabinet approval.

Cumbria Local Enterprise Partnership governance chart and respective sub-groups of the board



The Investment Panel has responsibility for overseeing the allocation of grant and loan funding (including Regional Growth Funding and Cumbria Infrastructure Fund) on behalf of the LEP Board, to invest in projects that support economic development and growth, in line with the LEP priorities and the Strategic Economic Plan.

The Local Transport Body has responsibility for managing a programme of investment in infrastructure to support economic growth, including devolved major transport scheme funding and any other funding allocated for transport schemes.

The Employment and Skills Commission leads on the development and implementation of the skills plan and provides the strategic lead for the skills agenda on behalf of the LEP.

The EU Local Management Committee will oversee the investment of European funds to ensure the successful implementation of Cumbria's 2014-2020 EU funding allocation to maximise the impact on the local economy.

The LEP Board and its sub-groups are supported by the LEP Manager. The LEP Manager is the lead officer, providing strategic direction and co-ordinating the delivery of this plan, supported by a dedicated LEP delivery team. The LEP delivery team demonstrates a collaborative and partnership approach to ensuring there is the capacity available across the county to support the LEP Manager and delivery of this plan. The table below illustrates this collaborative approach and the organisations that have come together to form the LEP delivery team.

Function/ Organisation	Cumbria County Council	Cumbria Chamber of Commerce	District Councils	Lake District National Park Authority	Carlisle College	ESTA	Local Nature Partnerships and DEFRA family	Britain's Energy Coast	Private Sector Advisory Panel	Technical Officers Group (Public Sector)
Core Operational Support										
Administration, Board secretariat	✓									
HR /Employment Support					✓					
Office Accommodation		✓		✓	✓					
Data & Intelligence	✓	✓	✓			✓			✓	✓
Communications and PR	✓	✓								
Development and Delivery										
Strategy Development Support	✓	✓	✓	✓		✓	✓	✓	✓	✓
Project Development	✓		✓	✓				✓	✓	✓
Investment Panel/ Fund Administration	✓									
European Support	✓	✓								
Infrastructure/ Transport	✓									
Business Support		✓						✓	✓	
Skills	✓	✓			✓			✓		✓
Environmental Sustainability	✓			✓		✓	✓	✓		

All partners are working together in the interests of the Cumbrian economy to ensure the economic vision can be realised and in turn enable our local businesses and communities to thrive in a prosperous and vibrant economy.



Cumbria
**Local Enterprise
Partnership**

unleashing potential through partnership

