

Cumbria Local Enterprise Partnership

Annual Report 2018



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Chair's Foreword

I am pleased to introduce Cumbria LEP's 2018 Annual Report, in what is my inaugural year, having taken over as Chair in July 2018.

I am excited by the opportunities available to Cumbria and the commitment of our Board, our businesses and our people to make these a reality. However, I recognise that prior to my arrival, the LEP has faced some challenging times and that we must all work together to ensure that these are consigned to the past – something that I and the Board are fully committed to achieving.

There is currently much to be optimistic about. Cumbria has a world class environment and natural capital with two World Heritage sites, three areas of Outstanding Natural Beauty, an international tourism brand, global excellence in our nuclear sector and high levels of employment. However, there are also some real challenges which need to be addressed, including our rapidly declining working age population, long term pockets of worklessness and inequalities, and gaps in our productivity, business start-up and growth performance. I also recognise the significant frustrations that some of our infrastructure – road, rail, broadband and mobile – cause to our businesses and people, and we at the LEP are working hard with our partners to address these issues.

We have embarked on the development of our Local Industrial Strategy, which we want to be a transformational document for Cumbria – repositioning our excellent offer internationally and nationally. We also want to be transformational in the way that we will develop our Local Industrial Strategy. Working closely in partnership, we will be collaborative, consultative, communicative and challenging to make sure that we get the best strategy for Cumbria.

The Cumbria LEP is changing; I, the Board and the Executive are committed to this. We hope that you are starting to see this change and will support us to ensure that the Cumbria LEP delivers on the expectations of all of our partners, businesses and people.

Cumbria's economy has the potential to go further, faster, and I would like to personally thank all our businesses for the excellent contribution that they are making to our economy.

Finally, I would like to thank the Board and the Executive for their commitment to Cumbria's economy, businesses and people and for their hard work and dedication in helping to deliver a changed LEP.



Our Board Members



Lord Inglewood
Chair of the Board

"I am passionate about Cumbria. We have the opportunity to deliver economic growth in the coming years, and help meet the needs of local businesses, residents and communities. Our aim is to deliver a Local Industrial Strategy that makes a compelling case for investment in Cumbria."



Jackie Arnold MBE
Vice Chair
Head of Skills BAE Systems Submarines

"Cumbria is a special place. I feel privileged to be working to help ensure its continued prosperity. I look forward to Cumbria punching above its weight in delivering against the new Industrial Strategy and creating an attractive environment for our future workforce."



Giles Archibald
Leader of South Lakeland District Council

"The LEP has a critical role in ensuring that future growth in Cumbria is both sustainable and inclusive. I look forward to working with the Board to deliver economic prosperity and to play our part in addressing income inequalities and climate change."



John Coughlan
Managing Director,
TSP Engineering

"My vision is to help develop a practical industrial strategy that secures and improves the standard of living for the people of Cumbria and one which encourages growth across the wealth creation sectors, securing and creating employment opportunities."



Colin Glover
Leader of Carlisle City Council

"In these challenging times, strong and inclusive partnerships will be essential as we look to secure the future economic prosperity of Cumbria."



Jim Jackson
Chief Executive, Fourwinds60 Consulting Ltd

"My primary focus is to deliver on our infrastructure plans, building on the great foundations we have put in place over the last two years."



Rob Johnston MBE
Chief Executive, Cumbria Chamber of Commerce

"I'm committed to helping improve the prosperity of and opportunities for the people of Cumbria by working together with partners through the LEP to ensure the right infrastructure and conditions exist to enable our businesses to grow and prosper, overcoming the challenges ahead and exploiting the opportunities that future changes will bring."



Mike McKinley
Lake District National Park Authority

"My ambition for the Cumbria LEP is for us to catalyse a step change in investment to support our rural and visitor economy. Cumbria's visitor economy in particular, including its two National Parks and two World Heritage Sites, is world class. We want to see the value of this economy grow as well as see new and diverse jobs across our food and farming sectors."



Prof. Julie Mennell, PhD
Vice Chancellor,
University of Cumbria

"Cumbria has a world-class asset base to draw upon. Working together to drive economic growth for the benefit of Cumbria and our communities, we can achieve a great deal. I believe the Cumbria LEP is well positioned to play this lead role and we owe it to Cumbria to deliver."



Alan Smith
Leader of Allerdale Borough
Council

"Cumbria's diverse economy must overcome numerous challenges over the coming years. We will achieve this if the public and private sector work collaboratively towards a common aim. We all share a responsibility to bring about the inclusive growth necessary to secure an economic future for the next generation."



Rebecca Weston
Enterprise Director at
Sellafield Ltd

"I'm excited about being part of a LEP that enables growth in the Cumbria economy, takes advantage of existing investment and capabilities, but also sets out an ambition for investment, that prepares and upskills the county to get ahead of its future challenges."



Dr Steve Curl
Private Equity specialist

"Cumbria aims to be one of the fastest growing economies in the UK. By bringing my business and partnership experience to the LEP my aim is to help deliver this ambition to the benefit of all those who live and work in this wonderful county and all our locally based businesses, large and small, old and new."



Nigel Wilkinson
Managing Director,
Windermere Lake Cruises

"By developing a Local Industrial Strategy, which builds on our strengths and realises the county's inclusive growth potential, Cumbria LEP and its partner organisations can set the strategic direction for the future of our economy, one which will benefit businesses, residents and visitors alike."



Stewart Young
Leader, Cumbria County
Council

"The Cumbrian economy will face unprecedented challenges over the next few years. It's vital that the public and private sectors work together to secure investment in our infrastructure, and to equip our workforce with the skills they will need for the future."



Graham Booth
Board Director,
E H Booth and Co Ltd

"Cumbria is in the enviable position of having two World Heritage Sites as well as being strategically located within the UK. My aim is to demonstrate to business that there has never been a better time to invest in Cumbria. We want to create the right environment for businesses to enjoy sustainable growth, thereby securing a prosperous future for our county."



Mike Smith OBE
Business consultant

"I hope to bring the experience and expertise gained from running a successful Cumbrian based independent training provider to help develop the county's education and skills offering in order to support people of all ages to attain successful jobs and careers."

Chief Executive's Overview

I was delighted to join Cumbria LEP in April 2018 at an important point in our journey as a LEP.

It was clear in talking to businesses, public and voluntary and community sector partners that they were keen for the LEP to respond to the new expectations that had been placed on it by Government. Namely, that we would work with all of our partners to develop a strong Local Industrial Strategy and would make sure that we have the highest levels of governance, transparency and accountability in place, to ensure that public money is used effectively to deliver real results for Cumbria.

It is still relatively early days for me personally, but I am very encouraged by the progress that has already been made in addressing these two major priorities.

It was also clear that all of our partners wanted the LEP to take an active and visible role in championing Cumbria's opportunities, addressing our challenges and raising the profile of Cumbria's unique economic offer, nationally and globally.

I am very pleased to report that we have made really good progress over the past few months in meeting these expectations. Our Local Industrial Strategy is shaping up well, thanks to the excellent contributions from our businesses, public and voluntary and community sector partners, provided at our consultation events in July, and the ongoing support of the Steering Group leading this work. We have produced our first outline draft Local Industrial Strategy, with further consultation events held on 31 October and 1 November, with the intention being to have our final document ready for April 2019. This is keeping pace with the three areas (Greater Manchester; Oxford-Milton Keynes-Cambridge and West Midlands) selected by Government as trailblazers.

We have also made significant progress in meeting the new expectations of LEPs that were outlined in the "Strengthened Local Enterprise Partnerships" report, which provided the conclusions of government's policy review of LEPs. We have already produced a revised Local Assurance Framework, which each Local Enterprise Partnership must have to demonstrate that the necessary systems and processes are in place to manage delegated funding from central Government. Importantly, it will ensure that we are equipped to operate to the highest levels of transparency and good governance, and meet many of the expectations that are likely to be required by Government moving forward. I hope that this shows our partners our seriousness about operating in a way that is clear, transparent and accountable.



Jo Lappin,
Chief Executive
Cumbria Local Enterprise Partnership

The Chair and Chief Executive would like to offer their sincere thanks to their predecessors George Beveridge and Graham Haywood for their work in the development of Cumbria LEP's activities during their tenures.

The Board is committed to making sure that the LEP is working with all of our key partners from business, the public sector and voluntary and community sectors, and as such is introducing new Sub-Board governance arrangements, which will better align with the Local Industrial Strategy. Importantly, these new bodies will be focused on drawing up work programmes that address the key issues for their theme or sector.

These new arrangements will build on the good work to date and look to incorporate the membership of our existing governance bodies. They will also look to widen membership to make sure that we really do reflect the communities that we serve. We will be looking for people to help us in taking Cumbria LEP to the next level and I hope that you will consider joining us on that journey.

Importantly, we want to be a LEP that is outward looking and collaborative, playing an active role in cross border initiatives such as Borderlands, and working closely with the other LEPs

and civic leaders in the Northern Powerhouse. We also want to work across LEP boundaries, developing strong relationships with neighbouring LEPs and geographies in Lancashire, the North East and beyond.

In conclusion, Cumbria has an excellent economic offer and some huge opportunities but also a number of challenges. Over the coming months and years we are committed to working with partners to make sure that we work on those things that are most important to Cumbria, its businesses and its people and help our county to go further, faster.

Finally, I would like to say a huge thanks to all of our partners for the support that they have provided to the LEP; and to the LEP team for their hard work in helping move the Cumbria LEP to the next level.



Cumbria's Economy

Economic Overview

Cumbria is an economy of contrasts, where 'averages' mask significant differences at both sectoral and geographical level. The analysis of evidence about the county's economy is at the heart of the development of the Local Industrial Strategy (LIS).

We need to really understand what makes Cumbria 'tick' to ensure that the LIS is totally focused on what matters most.

Cumbria has the second smallest LEP economy, reflecting our relatively low population in comparison with other LEP areas. However, geographically we are the eighth largest LEP area, and as such we have a very dispersed economy. We have a strong concentration of manufacturing, nuclear, tourism and land based industries in comparison to UK averages. Cumbria has the third highest percentage contribution to its overall Gross Value Added (GVA) from its manufacturing sector of any LEP area. Cumbria also has the highest percentage employment of any LEP area. We are, however, under-represented in finance, ICT and professional services, which has an impact on our overall productivity, given that these tend to be high productivity sectors. Our GVA growth has been fairly good in recent years and is in the upper half of LEP areas. This growth has been led by the strong performance of a few sectors – manufacturing, transport, wholesale and retail, and tourism related industries.

There is a mixed picture on productivity, with Cumbria ranking 22nd of 38 LEPs. However, this masks significant geographical differences with West Cumbria just 4% below the national average, whereas East Cumbria is 19% below. In comparison with the national average performance, only manufacturing, arts, entertainment and recreation and real estate are holding their own. Most sectors are significantly below average (10%-15%) and the LEP has calculated that if each sector's productivity equalled the national average our overall GVA would be about 20% higher. We therefore have a productivity challenge that needs to be addressed in the Local Industrial Strategy.

Population Challenge

Cumbria has the slowest growing population of any LEP area, which is forecast to decline uniformly across the county. This means that in 2028 Cumbria will have a shortfall in excess of 20,000 people to fill our existing jobs. If growth from major developments is factored in this gap could increase to 45,000. This shortfall cannot be met by bringing those who are currently not working into the workforce, as this would only result in an increase of 4,500 people. It also cannot be met by current levels of inward migration as this is low, from both the UK and internationally, and is only marginally improving. The LEP is therefore working with all of its partners to develop a high-profile place marketing campaign that will promote Cumbria as an excellent place to live, work and build a career.

Cumbria has the highest percentage of its total employment of any LEP area in its manufacturing sector

Cumbria has the third highest percentage contribution to its overall GVA from its manufacturing sector of any LEP area



Business Environment

The level of start-ups, at 9.7% of existing businesses, is lower than the national average of 14.6%. Business death rates of 9.7% are also lower than the national average of 11.6%. This suggests a less than dynamic business environment which needs further stimulation. There are also fewer fast growing firms in both absolute and relative terms.

Innovation performance is patchy. The absolute rates of business Research & Development investment are mid-range, albeit concentrated in a few firms, whereas levels and rates of engagement with formal knowledge transfer and innovation programmes are relatively low. The relatively small number and comparative isolation of 'innovation active' firms means that work is needed to improve innovation across sectors and geographies.

Digital Connectivity

Cumbria faces a number of digital and connectivity challenges, which are to be expected in a very large geography. There has been recent strong progress in addressing these challenges.

The Connecting Cumbria project has already delivered over 6,000 premises with access to Superfast Broadband, which is more than the 5,925 it was contracted to deliver.

Income and Earnings

Cumbria has a higher than national average employment rate at 104% of national average. Household income is 99% and median weekly earnings are 97% of the national average.

It is recognised that these averages mask wide variances and the new Local Industrial Strategy will need to work to address this issue if we are to deliver on our ambitions for inclusive growth.

Skills

Cumbria has the smallest number of people, in absolute terms, with higher level skills (NVQ4 or above) of any LEP area, reflecting the county's relatively small population. This presents challenges to employers recruiting, particularly when coupled with Cumbria's large geography, as this creates a very thin pool of people with higher level skills.

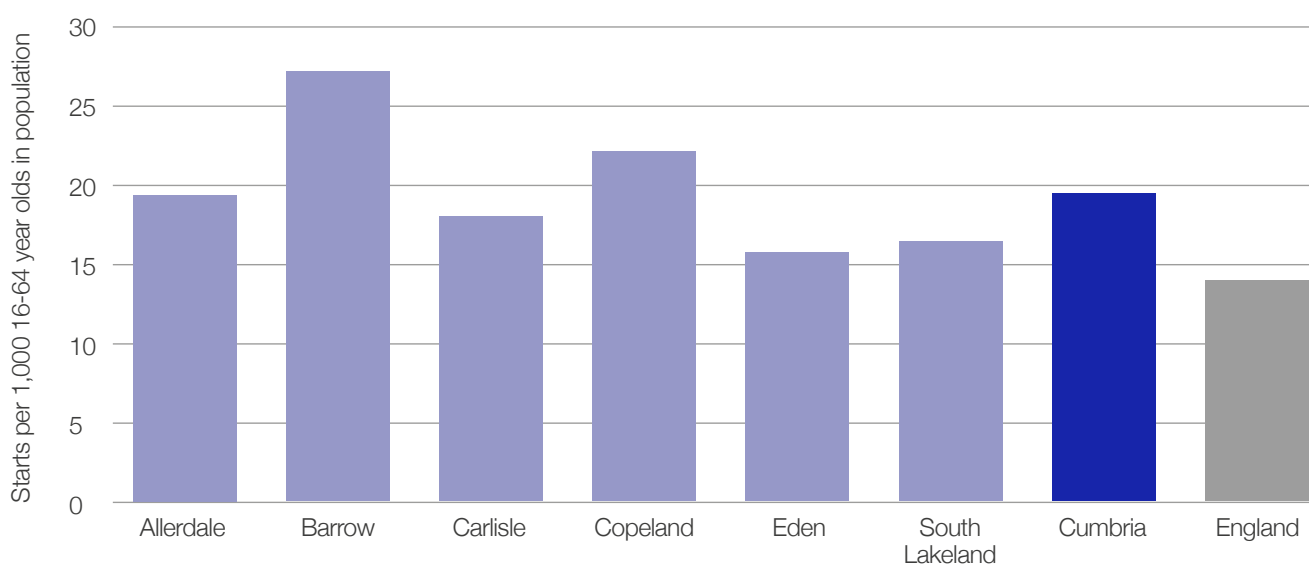
At Cumbria-level, schools perform slightly better than average at grade 5 (i.e. a strong pass) in English and Maths. This, however, masks significant variance at individual school level, with performance varying from 93% in the best performing to 11% in the least well performing. This again does not fit with our ambition for inclusive growth and equal life chances.

Cumbria's performance on apprenticeships is excellent, exceeding national averages per head of 16-64 year old population by 5.6% (see graph below). Barrow and Copeland are doing particularly well, exceeding national averages by 13.1% and 8.1% respectively. This overall excellent performance has, as nationally, dipped significantly, which the LEP and its partners are looking to arrest.

Graduate retention is mixed. Cumbria starts off well, with 38% of our graduates returning to Cumbria for employment in comparison with 30% nationally. However, the evidence suggests that they do not stay for long, with many moving on after 6 months or so.

Graduate retention is an important issue that the LEP and its partners will seek to address through a place marketing campaign which will specifically target young people.

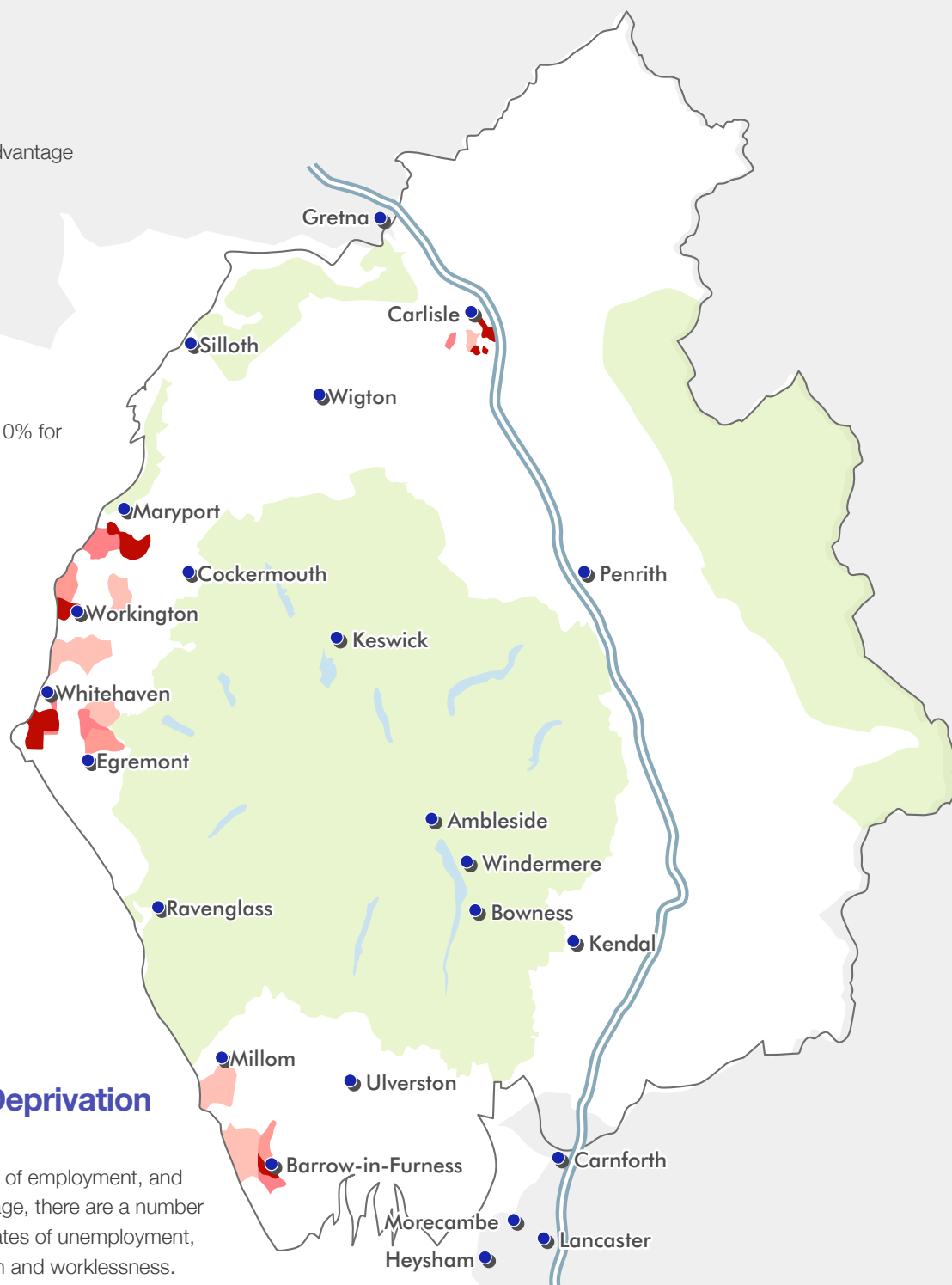
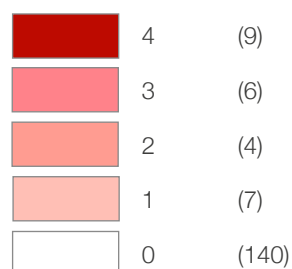
Apprenticeship numbers



Areas experiencing multiple disadvantage based on four indicators:

Low skills
Low employment rate
Poor health
Low household income.

No of indicators area is in worst 10% for



Worklessness and Deprivation

Against a backdrop of high levels of employment, and more jobs than the national average, there are a number of areas that experience higher rates of unemployment, deprivation, low skills, poor health and worklessness.

These frequently sit alongside areas with major and successful employers. There are systemic issues on the West Coast, Barrow and parts of Carlisle. Rural deprivation, including under-employment, high cost of housing and access to services, is also a challenge.

Cumbria's level of inter-generational worklessness is at 16.7%, exceeding the national average of 14.6%. Copeland (22.9%), Carlisle (19.9%) and Barrow (18.7%) exceed Cumbria's level.

An important part of the Local Industrial Strategy is inclusive growth – ensuring that everyone benefits from growth. We are working with our partners to help increase skills levels and bring our unemployed people into the workforce.

Local Industry Strategy

New Local Industrial Strategy to shape Cumbria's future

Cumbria LEP is moving at pace to develop its Local Industrial Strategy (LIS), which will help shape the county's economic priorities through to 2030. Working with key partners across the county, the LEP's aim is to develop a strategy which will highlight Cumbria's opportunities, address its challenges and make a compelling case to Government and the private sector for investment.

A wide range of organisations including businesses, councils, colleges, universities, schools, the NHS, the police, the fire service, charities and groups that represent particular sectors, such as advanced manufacturing, tourism, nuclear and agriculture, have been invited to participate and provide their views on the key issues that should be addressed in the LIS.

Government has identified five foundations of productivity which should form the basis of the LIS: innovative ideas, people and jobs, major infrastructure upgrades, business environment and places for more prosperous communities. The Cumbria LEP is structuring its own strategy around these foundations.

The LIS will be bold, ambitious and highly evidential – looking at addressing those opportunities and challenges that will make the most significant difference to Cumbria, its businesses and

its people. The LIS will operate on twin platforms – productivity (addressing our productivity gap) and inclusive growth (ensuring that everybody benefits from growth). It will be a genuine socio-economic strategy, focusing on people and places, making sure that all local residents have access to good jobs and greater earning power, as well as on 'hard' economics.

Government also wants the strategies to address its four grand challenges: growing the artificial intelligence and data driven economy; shifting towards green growth; shaping the future of mobility and meeting the needs of an aging society. So the LEP and its partners are working to present Cumbria's unique offer to UK plc on each of these challenges.

The LIS aims to be transformative both in terms of repositioning Cumbria in a national and international context, and in the way that it is developed – collaboratively in close and active partnership with the private, public and voluntary and community sectors.

It will replace Cumbria LEP's Strategic Economic Plan, which currently sets out how the county's economy can deliver jobs, business growth, improved skills, new infrastructure, housing and a range of other economic benefits.



Consultation events provide food for thought

The first round of consultation events on the LIS took place in July 2018, with meetings held at Carlisle College, Lakes College, Furness College and Kendal College respectively.

Among the major conclusions was the need for Cumbria to attract more people of working age, encourage more young people to stay or return to the county and improve the workforce's skill levels.

The consultation events brought together businesses, councils, education and skills providers, the NHS, the police, the fire service, charities and other interest groups to discuss Cumbria's strengths, opportunities and challenges – and how these issues should be addressed in the Local Industrial Strategy.

Apart from addressing the employment and skills gap, other issues that were highlighted county-wide included the need for better infrastructure, especially digital connectivity.

Developing Cumbria's creative and cultural offer was recognised as being an important part of attracting more people to live, work and invest in the county, particularly younger people.

Those that attended the events were also really keen that Cumbria spoke with one strong voice and worked together effectively to market the county.

Cumbria LEP Chief Executive Jo Lappin said: "The consultation events were well attended and the atmosphere at all the events was very positive. People recognised the importance of the strategy for Cumbria's long-term future and were very keen to take part in its development. They also welcomed the fact that the LEP was committed to listening to all its partners and was asking for their views.

"There was also a great deal of consistency in people's priorities across Cumbria. The sessions generated a lot of great ideas, which the LEP will incorporate in its work going forward.

"We will work to develop a really strong strategy with widespread local support. We want to make sure that it benefits everyone in the county, and that nobody is left behind."



THE FIVE FOUNDATIONS OF PRODUCTIVITY

People

People are at the heart of everything Cumbria LEP does. The LEP's aim is to help generate good jobs, ensure local people have access to world class education and training opportunities, and increase the earning power of the county's people and businesses.

Brighter Futures: Cumbria Careers Strategy

Cumbria LEP's Employment and Skills Advisory Group has led on the creation of the Cumbria Careers Strategy, which is supported by local businesses and the education and skills sector. The strategy aims to address the skills shortages experienced by local businesses, and ensure young people have excellent careers advice and understand the range of employment opportunities available to them in the county.



Transforming careers education for young people

Cumbria LEP and its partners submitted a successful bid to the Careers and Enterprise Company to become one of only 20 Careers Hubs in the country.

The Cumbria Careers Hub will be made up of 39 schools and colleges, who will work with universities, training providers, employers and careers professionals to improve careers education for all young people.

The Cumbria Careers Hub will have access to support and funding which includes:

- A 'Hub Lead' to help co-ordinate activity and build networks
- Bursaries for individual schools and colleges to train 'careers leaders'
- A Central Hub Fund equivalent to around £1,000 per year per school or college to fund agreed Hub activity

Although there will also be additional support focused on encouraging young people to consider science, technology, engineering and maths (STEM) careers, we acknowledge, value and celebrate the role the arts have in developing creativity and innovation.

Claudia Harris, CEO of the Careers & Enterprise Company

“ We're excited by the potential impact of the Careers Hub. If employers, schools and colleges can better prepare young people for the world of work, we are not just benefiting the economy, but improving prospects for thousands of young people. ”

National recognition for careers support

Cumbria's increasingly influential work in careers development support for young people has been recognised by three accolades at a national awards ceremony.

The county received one national and two regional awards at the Careers and Enterprise Company Annual Awards 2018.

Cumbria's Enterprise Network is working across the county to deliver high standards of careers advice and guidance. Its growing success is reflected in the latest awards.

Roger Wilson, who has been working with Queen Katherine School in Kendal, won the National Enterprise Advisor of the Year Award for his outstanding work in delivering careers support. He also won the regional award for the North in this category.

Carlisle based PPM Ltd, which specialises in property management, won the regional award for the North for Outstanding Small or Medium Enterprise of the Year. The award was made for the firm's approach to delivering support to schools or colleges and enabling meaningful and inspirational experiences for young people.



Roger Wilson

Roger Wilson says

“I'm so proud to have won the national award – it was really unexpected. It's great working with the school, and helping to get other businesses involved. The big thing for me is that this is all about enabling young people to make the best possible careers choices in life. It's also important that we get more business people across Cumbria volunteering to become enterprise advisors and sharing their experience in schools.

”

The awards are clear evidence of the work and commitment of our partners and local employers to the Enterprise Advisor Network in Cumbria, which is a strategic partnership with the Careers and Enterprise Company delivered on our behalf by Inspira.

THE FIVE FOUNDATIONS OF PRODUCTIVITY

A launchpad for young people not in education, employment or training

The LEP recognises there are still significant numbers of young people who are not in education, employment or training. To help address this situation, the LEP invited organisations to propose creative solutions to assist these young people. The successful proposal, Launchpad, provided by Inspira, prepares young people for work or further education by providing one-to-one and group tuition, alongside targeted information and advice. The scheme was paid for by the European Social Fund.

Employers are serious about skills

The LEP sees employers as the key drivers in business growth, service delivery and increasing the prosperity of the county. It is therefore crucial that our vibrant education and skills sector is responsive to the changing needs of employers and communities.

To further this ambition, eight employer panels were established to look at Cumbria's skills needs. As part of the £8.5m European Social Fund project, The Edge, Cumbria LEP and training providers can take the input from the sector panels and help employers to access industry-relevant training to boost their business potential. The employer panels cover the county's key sectors: manufacturing, construction, health and social care, agriculture and rural, logistics, nuclear, professional services and the visitor economy.

The employer panels have developed their own sector skills plans: reviewing labour market intelligence, discussing delivery of local skills services and support, obtaining feedback from employers, and providing a forum to address current and emerging skills needs.

Preparing for the future

To encourage collaboration in the sector, the LEP hosted several conferences which brought together key stakeholders, employers and partners to exchange views and ideas for new ways of working.

**John Coughlan MD of TSP Engineering,
Cumbria LEP Board Member, & Chair
of the LEP Employment and Skills
Advisory Group**

“ Our work on issues such as the Cumbria Careers Strategy and skills support for the workforce in Cumbria will have a really positive and long-term impact – helping local people access good quality jobs, and local businesses find the skilled workers they need. ”

Future Workforce #Generating Solutions conference

The discussions at this conference in December 2017 focused on issues such as how to improve careers education and work experience in the county, and how best to involve employers in skills development. The conference was well attended and the feedback from the delegates was used in developing the LEP's Careers Strategy.

Bringing transport and logistics employers together

In May 2018, we welcomed Cumbria Transport Group and over 50 guests to our conference centre for a transport and logistics conference.

The transport group represents Cumbrian companies operating in the freight and passenger transport industries. The group was created to increase employment opportunities in the sector, promote career and skills development and influence transport policy.

Cumbria LEP is working closely with logistics training providers and employers to improve skills, workforce development and recruitment to maximise the sector's significant potential for growth.

Delegates at the conference discussed where skills gaps were likely to arise in transport and logistics and measures that could be taken to help address the situation.

Construction Conference

In May 2018, the LEP and the construction industry training board (CITB) held a construction labour skills and research consultation event. The day included a presentation on recent CITB research and the attendees were invited to give their views on the findings.



Prof. Julie Mennell,
Cumbria LEP board member & Vice
Chancellor, University of Cumbria

“ Our focus is on working in partnership with employers and partners across Cumbria to provide the skilled workforce for now and tomorrow. This will deliver significant impact for our county, in filling industry skills gaps, retaining young people, bringing new talent into our county and delivering economic benefit. ”

THE FIVE FOUNDATIONS OF PRODUCTIVITY

Infrastructure

Infrastructure has a crucial role in enhancing and supporting economic growth by attracting visitors, workers and investment to Cumbria.

We believe there is a need for significant investment in the county's infrastructure. This investment is central to delivering some of the UK's most strategically important projects in energy, defence and manufacturing and in providing the conditions for business growth and improving the prosperity of our communities.

Jim Jackson, Cumbria LEP board member & Chief Executive, Fourwinds60 Consulting Ltd

“Infrastructure is a key enabler to our ambitious plans for economic growth in Cumbria. The LEP priority is to convert key schemes into firm commitments, allowing our businesses to invest in Cumbria with confidence.”



Upgrading the Lakes Line

We have submitted a proposal for a programme of work to the Lakes Line, which runs between Oxenholme and Windermere. This work would be focused on electrification and signalling, station improvements at Windermere and the removal of high risk level crossings. The proposal is that work would be funded by the train operating company and Network Rail.

Working with Transport for the North on behalf of Cumbria

We are working with Transport for the North (TfN), a partnership of civic and business leaders from across the North of England which is the country's first sub-national transport body, to maximise the benefits for the county. One of our Board members, Jim Jackson, is on the Board of TFN, representing Cumbria and Lancashire LEPs.

TfN has produced a Draft Strategic Transport Plan for the North. Cumbria features in two of seven strategic 'corridors' identified in the plan. These corridors link key economic centres across the North to help support business growth, productivity and job creation.

In our Infrastructure Plan, which was published in 2016, we identified a number of priorities for investment. These are projects which we believe will best address Cumbria's infrastructure needs, and contribute to the LEP's strategic objectives, the Government's productivity agenda and the Northern Powerhouse initiative.

PROJECT

SHORT TERM PRIORITIES

PROGRESS IN THE LAST YEAR

CRITICAL

Cumbrian Coastal Railway Enhancements

Cumbria LEP leads the Rail Programme Board, which was set up to make the case for urgent improvements to the Cumbrian Coast Rail Line. In July 2018, we submitted a 'Strategic Outline Business Case' to Government making the case for the 'Energy Coast Rail Upgrade', a scheme which will make the line fit for the future. The LEP has also agreed to invest just over £1 million of Growth Deal funding towards progressing the project. A funding decision, which would enable the scheme to be further developed to Outline Business Case stage, is expected from Government in late Autumn 2018.

A595 Corridor Enhancements

Road developments on the A595 are progressing thanks to the LEP's economic impact studies on transport connectivity and evidence presented to central Government. The County Council are currently progressing study work on the A595 at Bothel and at Grizebeck to inform the development of Outline Business Cases, which will be used to make the case for investment at these locations.

Flood Resilience and Mitigation

We are assisting with the funding of flood defence measures at James Walker & Co, helping to secure 400 jobs in Cockermouth.

Through our allocation from the European Regional Development Fund, we are supporting development of a flood risk management scheme in North Kendal, which aims to directly increase flood protection for 227 businesses and protect a further 1,490 businesses from the negative indirect impacts of flooding. This is currently subject to funding approvals and planning consents.

Connecting Cumbria Phase 3: 4G and Broadband Connectivity

Connecting Cumbria is receiving £3.6m of Growth Deal support and has already exceeded its contracted number of premises with access to Superfast Broadband. Phase 2 of the Connecting Cumbria project, putting in place superfast broadband infrastructure where there is no existing commercial or publicly funded provision, has to date delivered access to 6,323 business premises and is forecast to deliver to a further 2,848 premises over the remaining lifetime of the project.

Port of Workington Improvements

Preparatory works are underway on a replacement road-over-rail bridge at the approach to the Port. This will improve access to the Port, to help it grow and support key economic sectors and infrastructure projects in the county.

THE FIVE FOUNDATIONS OF PRODUCTIVITY

PROJECT

PROGRESS IN THE LAST YEAR

IMPORTANT

Carlisle Citadels

£3m of Growth Deal funding has been earmarked to development of the Carlisle Citadels. These Grade 1 listed buildings have recently been vacated and need to be brought back into use creating the opportunity to revitalise these historic assets for the benefit of the local economy and local community, subject to acceptance of a full business case. The Carlisle Railway Station Masterplan, which incorporates development of the Citadel buildings, has been produced for submission to the Borderlands initiative.

Carlisle Airport Enhancements

Carlisle Airport is receiving £4.95m of Growth Deal funding support. Improvements have been carried out at the airport including to the runways and the passenger terminal, enabling commercial passenger flights to start. The LEP is in contractual discussions with Stobart Air to finalise the funding for the work.

Barrow Waterfront

Barrow Waterfront has received £7.2m of Growth Deal funding support, as well as £1m from the Cumbria Infrastructure Fund. Work on the site has now been completed, creating a new 7 hectare business park, which could help to create between 1,200 and 1,600 local jobs. The first development plot on the site has now been sold.

Rail Station Improvements

Part of the Devolved Majors Growth Deal project, the new transport hub at Maryport Station has now been completed. The hub, which includes a car park, improves access to the station, reduces congestion and aims to encourage people to travel by train.

Town Centre Transport Improvements

Ten highway and sustainable transport improvements schemes have been completed in Kendal to date including signal improvements, pedestrian crossings and footways and surfacing works.

Optimising Connectivity

Optimising Connectivity has received £2m of funding from the Growth Deal. Highway improvement schemes have been completed in key tourist areas in Grasmere and Bowness, including improvements to the cycleway on Dunmail Raise.

Councillor Keith Little, Cabinet member for Highways and Transport, Cumbria County Council

“By working in partnership, Cumbria County Council, the Highways Agency and the LEP have been making significant progress to get key transport infrastructure projects moving, including the A595 Grizebeck and the Carlisle Southern Link Road initiatives.

”

PROJECT

MEDIUM / LONG TERM PRIORITIES

PROGRESS IN THE LAST YEAR

A590 Road Enhancements

Transport infrastructure improvements are being aimed at reducing congestion, enhancing access and opening up development land and employment sites.

Construction works on the Quebec Street junction with the A590 at Ulverston have been completed. Daltongate works are ongoing.

A66 Road Enhancements

Highways England are currently developing plans to upgrade the A66 from Penrith to Scotch Corner. Options are being developed and engagement is ongoing with stakeholders.

Carlisle Southern Link Road

As part of developing an improved road network in and around Carlisle, plans for the new Carlisle Southern Link Road (CSLR) were submitted to Government for an investment decision in September 2018.

A preferred route for the scheme has been decided to improve east to west connectivity. The link road would be required to unlock delivery of the planned St Cuthbert's Garden Village.

The total cost of the scheme is £112m with £102m being requested from the Housing Infrastructure Fund administered by Homes England. The remainder will come from Cumbria County Council and Carlisle City Council who will recoup the investment from future developer contributions. Additional funding will also be required from developers to contribute towards the costs of delivering the scheme.

If the link road gets the go ahead, construction could commence in spring 2021.

Ulverston Bypass

Plans to progress study work are being discussed with Highways England and Cumbria LEP. This will identify the strategic issues facing the A590 and consider the role of an Ulverston bypass in addressing these issues. As part of this, options for a bypass will be explored.

Whitehaven Relief Route/A595 developments

The Government has announced the launch of a Highways England public consultation to cut congestion and improve safety for drivers on the A595. The consultation will look at ways of cutting congestion, improving safety and reducing rat-running on other local roads, with construction set to begin in 2025.

In addition to the priorities outlined above, we have highlighted the need for partner support and delivery, including wider investment in the rail and road network.

THE FIVE FOUNDATIONS OF PRODUCTIVITY

Business Environment

Helping Businesses Grow

Business support plays a key role in enabling Cumbrian firms to grow and create more jobs and increase prosperity for local people. It is therefore an important priority for the LEP and its partners. Our aim is to ensure that the county's business community has access to a wide range of support services, including national products and programmes and can take full advantage of innovation and new technology. A range of support services for local businesses are provided through Cumbria Chamber of Commerce.

Business support projects include:

Business Start-Up Support Scheme, a £1.4 million project that has helped 1,200 people looking to start a business.

Cumbria Growth Fund, which has helped 44 manufacturing businesses with £3.8m of grant funding create and safeguard 539 jobs and leverage £24m of private sector investment.

Help for Exporters, which has helped more than 550 businesses exploit international trade opportunities.

Cumbria Forum, run by Lancaster University Management School and funded by the European Regional Development Fund, is a six-month management development programme for leaders of SMEs.

Supply Chain Gateway, which helps SMEs understand what procurers in large organisations expect from suppliers.

The Subsidy Scheme, by which SMEs can claim up to £2,000 to cover up to 40 per cent of consultancy costs to help them grow.

The New Enterprise Allowance scheme is a Department for Work & Pensions initiative designed to help jobseekers move off benefits and become their own boss.

The Cumbria Chamber of Commerce Growth Hub

The Cumbria Chamber of Commerce Growth Hub has been helping local businesses to grow with a wide range of free support services. Since it was established, 6 years ago, it has worked with over 7,200 businesses (delivering intensive support to 2,200) creating or safeguarding over 7,000 jobs and boosted the county's economy by an estimated £300m.

Case Study

Hari's World

Hari's World publishes illustrated story books to convey safety messages to children aged 2-6. Sue McGee, one of its founders, approached the Cumbria Chamber of Commerce Growth Hub for help with IT and marketing support.

Sue received one-to-one support from adviser Gail Gravett who helped Hari's World refine its marketing strategy. They are also planning to develop an app to complement the books in the near future.

Sue says: "Gail is extremely supportive and positive and we get on very well. Her IT knowledge is phenomenal. We now have a new company introducing our marketing messages and books into 5,000 schools and nurseries each month. This is a step change for the business and Gail's help has really lifted us."

**Rob Johnston MBE, Cumbria LEP board member & Chief Executive,
Cumbria Chamber of Commerce**

“ The wide range of support we and partners provide is targeted at helping start-up and established businesses discover and achieve their full potential, develop growth plans, increase productivity and enter new markets. This is essential if the Cumbrian economy is to fully support the aspirations and opportunity of the county's people. ”

Northern Powerhouse Investment Fund (NPIF)



The launch of the Northern Powerhouse Investment Fund has opened a gateway for accelerating business growth and expansion into new and emerging market places for innovative Cumbrian businesses. The NPIF provides microloans, debt and equity investments, ranging from £25,000 to £2m to help businesses to start up, scale up or stay ahead.

NPIF has been set up in conjunction with the British Business Bank, along with other LEPs across the North West, Yorkshire & Humber and Tees Valley. The fund is supported financially by the European Regional Development Fund (ERDF) as part of the European Structural and Investment Funds Growth Programme 2014-2020 and the European Investment Bank.



Case Study

Software firm taps into growth fund



Coeus Software Ltd, a workforce mobility platform provider, has secured an investment of £603,000 from the Northern Powerhouse Investment Fund through NPIF – Maven Equity Finance.

The investment is allowing the company to expand its operations in Cumbria by building its sales team and implementing a new sales and marketing strategy. Coeus provides self-service and cloud-based mobility platforms to digitise day to day business and replace outdated manual, paper-based processes. The deal is seen as a model example of how NPIF can help Cumbrian firms with expansion plans.

THE FIVE FOUNDATIONS OF PRODUCTIVITY

A new catalyst for business growth

As part of the Government's Industrial Strategy, the Department for Business, Energy and Industrial Strategy (BEIS) is providing funding to Cumbria LEP for the provision of a local business support service, for small-to-medium sized enterprises. This service will be called the Cumbria Growth Catalyst.

Cumbria Growth Catalyst will include three hour diagnostic sessions with the production of individual business action plans and referrals, 12 hour bespoke intensive sessions with businesses identified as potentially high growth firms, and high quality business support workshops.

This new programme will also be providing support to sectors which have previously been excluded from European funded programmes.

Case Study

Training firm secures first NPIF deal for Cumbria

Training services provider NC Training was the first Cumbrian firm to benefit from the new Northern Powerhouse Investment Fund (NPIF) with a £40,000 loan to help it expand its existing team with the addition of at least seven new staff to support the number of learners gained from recently secured contracts. It will also use some of the funding to invest in IT equipment required to enhance its training services.

The investment was made by NPIF – BFS & MSIF Microfinance, an NPIF product fund managed by Business Finance Solutions (BFS) in partnership with MSIF.

Based in Barrow-in-Furness with an additional office in Workington, NC Training provides training and apprenticeship services on behalf of local colleges and training organisations. Its training services cover a range of sectors including IT, management, pharmaceuticals, education and health and social care.



Case Study

More cheese for Appleby Creamery

Eden Valley based Appleby Creamery, an artisan cheese maker, has secured a £250,000 loan from the Northern Powerhouse Investment Fund (NPIF), in a deal financed by NPIF – FW Capital Debt Finance.

Founded in 2008, the business specialises in making high quality, premium food and drink brands and making them available to a wider audience. It is using the loan to carry out alterations to their newly-acquired, much larger industrial unit and to move into new international markets including China and the USA.

The improvements will provide a state-of-the-art production facility capable of meeting the most demanding food safety standards. The loan will also provide the growth capital needed to help this expanding business meet the surge in demand forecast after winning a number of significant new contracts in the UK and overseas.



Case Study

New collaboration for Cumbrian food and drink sector

A group of Cumbrian companies from the food and drink sector are working together to open up new business opportunities and promote the finest food and drink the county has to offer.

Led by Warwick Bridge based Cows & Co, the Lakes Hamper Company is a collaborative initiative which brings together a selection of producers with specific objectives to develop export growth, support the artisan economy, protect and create employment opportunities and attract skills into Cumbria.

Seven companies have signed up as 'hamper members', including Traybakes and The Lakes Distillery, both of which have received Regional Growth Funding support via Cumbria LEP. Other members are Appleby Creamery, Claire's Handmade, Bruce and Luke's Coffee, The Rum Story and Cows & Co.



THE FIVE FOUNDATIONS OF PRODUCTIVITY

Innovation

Nurturing growth for manufacturing firms

With funding from the European Regional Development Fund, the Cumbria Manufacturing Growth Service has been helping local businesses to streamline their processes, drive up production capacity, improve systems and access new markets.

The project supports businesses by providing a specialist manufacturing advisor to help identify key opportunities for, and barriers to, growth via an on-site business review. A grant is then available to support the cost of bringing specialist advice into the business from the private sector to unlock growth potential.



Case Study

Marl International

Marl International, which manufactures LED lighting and components in Ulverston, has used the Cumbria Manufacturing Growth Service to access technical support and systems development in order to win a major new contract with London Underground. This project will provide a major step-change for the business and will see them competing to win further contracts within the rolling stock sector.

Case Study

Funding support for award winning tourism initiative

Thanks in part to a £30,000 investment from Cumbria LEP, which secured 'Destination Partner' status for the Lake District in Marketing Manchester's China promotional campaign, the English Lake District China Forum, a group of ten Lake District businesses, is working together to attract more Chinese visitors to the area. The forum also picked up an award for Innovation in Tourism from VisitEngland, the country's official tourist board. A major milestone for the forum has been reaching over 10,000 followers on Weibo, China's biggest social media network.



Since 2015, the forum has also organised events in the UK and China to maintain direct contact and build relationships with influential Chinese market tour operators and decision-makers. This has included trade missions to cities such as Beijing, Guangzhou, Hong Kong and Shanghai.

University projects seek to innovate

Funded by the European Regional Development Fund, the Cumbria Innovations Platform, a partnership between the University of Cumbria and Lancaster University, is helping boost economic growth by providing micro, small and medium enterprises with a competitive edge with access to technical and management expertise.

Eco-innovation Cumbria, a 4-year programme from the University of Cumbria, is helping SMEs to improve efficiency, grow capacity and develop new solutions for industry.



Harnessing collective strengths in innovation

Cumbria LEP is involved in the production of a report on progressing innovation in the Northern Powerhouse area.

The 'Innovation North' report is establishing that across the North there is an array of nationally and internationally significant science/innovation strengths and assets that, if co-ordinated collectively, have the potential to accelerate Northern innovation, growth and productivity.

The report will provide a high-level assessment of the North's strengths, challenges and opportunities in innovation. Recommendations include mapping international connectivity in the North using value chains (the process by which a company adds value to an article) and innovation networks to identify strong connections and also highlight gaps that are hindering progress. It also suggests identifying the most effective ways to pool innovation assets to respond to the Government's industrial strategy 'Grand Challenges' and enhance the North's reputation as a leading innovation region.

North West Coastal Arc Clean Growth Partnership

According to the Government's Clean Growth Strategy - one of four grand challenges in the UK Industrial Strategy - technological and environmental innovation is driving new high value jobs, transforming industry and creating new companies.

Cumbria LEP is a partner in the proposed establishment of the North West Coastal Arc Clean Growth Partnership, which will aspire to become a global market leader for low-carbon and sustainable products, processes and services through greater networking, integration and connectivity across the whole of the North West region's research base and business community.

With energy being one of the key sectors for the Cumbrian economy, supporting growth within the low carbon sector has the potential to make a significant contribution to energy security and carbon reduction. Cumbria has around 400 low carbon and environmental goods and services companies that employ around 8,100 people and command sales worth around £1 billion per year.

Establishing the North West Coastal Arc Clean Growth Partnership as an exemplar region could make a significant and sustained impact on productivity performance, driving significant economic growth.

Rebecca Weston, Cumbria LEP board member & Enterprise Director at Sellafield Ltd

“Creating the environment to harness the ideas and innovation of people within Cumbria will make a huge difference to growing our economy.”

THE FIVE FOUNDATIONS OF PRODUCTIVITY

Place

The importance of 'Place' in our economic thinking

Cumbria has great potential for accelerated economic growth, especially as it is already making an increasingly important contribution to national prosperity, security and wellbeing.

The county is responsible for nationally significant economic assets across the energy, nuclear and defence industries.

Not only that, it is widely recognised as one of the best places to achieve greater personal wellbeing and quality of life. It has an unrivalled tourism offer balanced by a strong manufacturing and advanced engineering workforce.

The importance of 'Place' and Cumbria's lifestyle offer are therefore additional key drivers in accelerating economic growth. Cumbria LEP and our partners are committed to ensuring that we effectively promote the county as a great place to live, work, visit, and do business. We recognise the challenge we face in terms of our declining working age population and the impact that this will have on our future workforce. It is estimated that

by 2028, the county may need between 30,000 to 45,000 additional people to fill the available jobs.

In collaboration with our Local Authorities, the LEP will be exploring how we can provide added value to support them in delivering their statutory responsibilities in relation to place making and place shaping. Working collectively across the public, private and voluntary and community sectors we can make a real difference in making our attractive locations even more desirable places to live and work.

There are however unique geographical challenges in creating a high-performing economy, furthering business growth and increasing prosperity for those who live and work in the county. Unlike major city regions such as Greater Manchester, there is no effective single labour market or travel to work area that covers all or most of the county. Instead there are major differences in the economic and social challenges and opportunities across Cumbria.



**Giles Archibald, Cumbria LEP board member
& Leader of South Lakeland District Council**

“Our successful Northern Cultural Regeneration Fund bid is an ambitious multi-venue arts project for the Lake District World Heritage Site, one of just three projects across the north to win Government backing. It represents a significant investment in the Cumbrian visitor economy.”

The places most likely to attract more people are typically the 'market towns' like Penrith, Kendal, Ulverston and Cockermouth. Whilst Carlisle is the biggest settlement, with the largest plans for expansion, house prices are lower on the West Coast and in Barrow.

Our labour markets are disparate and there are areas with high rates of unemployment, deprivation, low skills, poor health and worklessness. This is a particular issue in parts of the West Coast, Barrow and parts of Carlisle. Helping to address these 'cold spots' could bring an additional 4,500 people into the workforce.

As Cumbria LEP moves forward with the new Local Industrial Strategy, evidence and consultation feedback suggests that while there are differences in places – and their key challenges vary – there are common, Cumbria-wide economic issues. These include a declining workforce, more acute in West Cumbria, Barrow and least accessible locations, a thin pool of higher level skills, low business start-up rates and growth, patchy approaches to innovation, and gaps in connectivity. Working together there is clearly opportunity to make significant progress in addressing these issues.

Our work on place, in partnership with the public and private sector, will therefore need to address county-wide issues and tackle big place-based challenges and opportunities, whilst balancing the need for specific interventions due to the complexity of Cumbria's geography and the rather disparate nature of certain labour markets. The effective promotion of 'place' will be a major contributor to attracting more people to live and work here.

The LEP is therefore working with all of its partners to develop a high-profile place marketing campaign that will promote Cumbria as an excellent place to live, work and build a career.

Helping to bring an additional

4,500 people

into the workforce in parts of the West Coast, Barrow and parts of Carlisle.



Mike McKinley, Cumbria LEP board member & Lake District National Park Authority Chairman

“Cumbria has two National Parks and three areas of outstanding natural beauty. Together with Hadrian's Wall, the Lake District's attainment of UNESCO World Heritage Site status means we can attract visitors from across the globe to see them, as well as the spectacular scenery of Arnside, the Solway Coast, the North Pennines and the historic city of Carlisle.”

SPOTLIGHT ON SECTORS

Energy and Nuclear

Nuclear sector deal to bring major economic boost

The Nuclear Sector Deal announced by Government in June 2018 set out a clear, long term strategy for the nuclear industry and could bring major economic benefits to Cumbria.

The deal, which will involve the nuclear industry and Government working together to deliver an agreed action plan running through to 2030, will be an integral part of the new Local Industrial Strategy currently being developed for Cumbria.

Cumbria LEP has worked closely with the nuclear industry and the Government on the deal, along with the Heart of the South West LEP, New Anglia LEP and the other North West LEPs, which also have nuclear expertise.

In particular, Cumbria LEP has emphasised the importance of government support for developing skills, local supply chains and an extended business support programme, along with investment in key infrastructure such as road and rail.

Cumbria is home to some of the nuclear industry's key assets, a highly skilled workforce, and a significant supply chain. Cumbria LEP has welcomed the particular focus on innovation and R&D, which reflects emerging priorities within the evolving Cumbria Local Industrial Strategy. The commitment to increase gender diversity in the sector is welcomed as it mirrors the LEP's commitment to significantly increase gender diversity in its governance structure.

The LEP is also keen for the sector deal to provide:

- an extensive business support programme which looks at emerging opportunities for nuclear supply chains
- additional resources to encourage more foreign direct investment into the area
- extra benefits in the allocation of transport funding to support projects related to the nuclear sector.



Rebecca Weston, Cumbria LEP board member & Enterprise Director at Sellafield Ltd

“Our nuclear assets require high value skills and capabilities and there is massive opportunity to leverage those across sectors to improve Cumbria's overall offer and close the gaps that exist.”



Moorside

Cumbria LEP is working closely with the Government, NuGen, local politicians and other key stakeholders to support the development of a new nuclear power station at Moorside, with capacity to supply up to 7% of the UK's electricity and create up to 21,000 jobs over the lifetime of the project. The LEP and its partners are making the case to support the Moorside project, to encourage inward investment and infrastructure development, including improving roads and rail, and funding a programme of skills development and business support to grow the local supply chain. It is also a priority for the LEP to ensure that Moorside brings long-term benefits to communities across the whole of Cumbria.



SPOTLIGHT ON SECTORS

Offshore Wind Sector deal to benefit Cumbria

The offshore wind sector is powering the clean economy, bringing investment, skilled jobs and supply chain opportunities to businesses in Cumbria. The county is now home to the world's largest operational offshore wind farm, Walney Extension.

Covering an area of 145km² in the Irish Sea, Ørsted's 659-megawatt (MW) project features 87 turbines capable of generating enough green energy to power almost 600,000 UK homes.

The UK offshore wind industry is seeking to move forward by working with the Government on a sector deal which could potentially see offshore wind deliver one third of the UK's electricity and reach the connected capacity of 30GW by 2030. Led by the Offshore Wind Industry Council (OWIC), the deal could deliver thousands of additional skilled jobs, as well as generating affordable and clean electricity for UK business and consumers.

The proposals to be tabled show how the innovative offshore wind industry can drive economic growth. The deal could also support the objectives of the government's Industrial Strategy, prioritising innovation, creating new business opportunities, generating high-quality jobs, helping communities to prosper and upgrading UK infrastructure.

As part of its Clean Growth Strategy, the Government has announced a major support package for the UK's offshore wind industry to power millions more homes and businesses over the next decade. Offshore wind providers will be able to bid for contracts to power up to four million homes, with clean electricity auctions held from 2019 onwards, with support worth up to £557 million for industry.

Taking Cumbria's green energy growth into the future

Working with the Carbon Trust, Cumbria LEP has produced a green energy plan for the county, looking at energy growth through nuclear developments and low carbon innovations to help businesses achieve greater productivity.

The purpose of the new Cumbria Local Energy Plan is to help local businesses increase productivity, as well as developing low carbon, green or renewable energy projects which will contribute to more sustainable economic growth.

It will seek to develop the county's energy infrastructure, the large scale technologies which transport energy from producer to consumer, such as pipelines, terminals, transmission lines and energy grids. It also looks to build energy efficiency into new buildings and homes and support existing homes to become more efficient and cost-effective for residents.

More energy efficient systems and processes present significant opportunities for greater business productivity. Green energy and carbon reduction solutions can range from mechanical ventilation and heat recovery systems to compostable packaging for use in manufacturing. Other examples of cleaner, greener initiatives include low carbon heating and integrated energy systems with lower emissions.

World leader in offshore wind energy production

Walney Extension utilises the latest technology from two of the world's leading turbine manufacturers, 40 MHI Vestas 8MW turbines and 47 Siemens Gamesa 7MW turbines. More than 50 local suppliers, from Carlisle to Lancaster, were involved throughout construction.

Ørsted's total offshore wind capacity operating out of Barrow is up to 1.5 gigawatts (GW), which is enough to power more than 1.2 million UK homes. Its ongoing operations and maintenance activities will support more than 250 direct jobs in the region.

Matthew Wright, Ørsted UK managing director, said: "The UK is the global leader in offshore wind and Walney Extension showcases the industry's incredible success story. The project, completed on time and within budget, also marks another important step towards Ørsted's vision of a world that runs entirely on green energy."

"The North-West region plays an important role in our UK offshore wind operations and our aim is to make a lasting and positive impact here. We want to ensure that the local community becomes an integral part of the renewable energy revolution that's happening along its coastline."

Construction of Walney Extension was co-ordinated from Ørsted's West Coast Hub, at the Port of Barrow, which will now become home to the project's operations and maintenance team. The West Coast Hub also services three further Ørsted offshore wind farms (Barrow, Walney and West of Duddon Sands).

As part of Ørsted's commitment to the region, a £15million Walney Extension community fund has been set up to support local projects and organisations. Each year, around £600,000 will be made available for the expected 25-year lifetime of the wind farm. To date, Ørsted has funded over 40 inspirational projects – totalling almost £1,000,000 in grants.

Each year £100,000 is also ring-fenced for a 'Skills Fund' to promote education, support local students and increase uptake of STEM subjects for young people.

Ørsted has expanded its apprenticeship scheme to the West Coast and has partnered with Furness College to deliver the three-year courses for the next generation of wind turbine technicians.

Jackie Arnold MBE, Cumbria LEP Vice Chair & Head of Skills BAE Systems Submarines

“Our county hosts the largest off-shore wind farm in Europe with a proliferation of supply chain opportunities within Barrow-in-Furness. Together with on shore wind, small scale local hydro schemes and the potential to develop into tidal energy production, the future potential for Cumbria is enormous.”

SPOTLIGHT ON SECTORS

Rural and Visitor Economy

Nurturing a vibrant rural and visitor economy

The rural and visitor economy is of vital importance to Cumbria. The county is one of the UK's most popular visitor destinations. In 2017, it attracted over 47 million visitors, an increase of over 6% on the previous year. These visitors brought in £2.9 billion of spend and supported almost 65,000 jobs. The county's internationally renowned visitor offer, coupled with strengths in the agri-food sector, and food and drink provenance, means the rural and visitor economy has significant potential for growth.

The Rural & Visitor Growth Plan

Cumbria LEP has produced a Rural and Visitor Economy Growth Plan in consultation with partners and rural businesses. At the heart of the Growth Plan is the need to maintain, enhance and build on what makes Cumbria special.

The Growth Plan identifies ways to extend the 'adventure' experience, support events, enhance attractions and experiences linked to food, drink and culture. It also highlights ways to influence travel to and within Cumbria and maximise the benefits from emerging digital opportunities. Another key target is the application of new technology in agriculture, food production and rural specialist manufacturing sectors to encourage economic growth.

The plan also recognises the importance of continued investment in, and promotion of, existing attractions,

accommodation and infrastructure, as well as maximising the potential of Cumbria's two World Heritage Sites, the Lake District National Park and Hadrian's Wall.

The plan sets out priorities for growth over the next five years. It aims to tap into the vibrancy of rural communities and ensure market growth in areas such as the food and drink sector and tourism excellence in outdoor activities, events, festivals, attractions and accommodation.

It will help underpin future investment by both the public and private sectors, with identified, specific opportunities for growth and a list of stated priorities for both the rural and visitor economies:

**Nigel Wilkinson, Cumbria LEP
board member & Managing director,
Windermere Lake Cruises**

“Agriculture provides livelihoods and employment to those working directly working in the industry, and the natural assets, man-made landscape and culture of Cumbria sustains our world class visitor and rural economies.”

Rural economy growth priorities

- **Maintaining and enhancing the special qualities of Cumbria's rural areas.**
- **Capitalising on our rural strengths:**
 - Exploiting our brand
 - Adding value to under-exploited rural resources
 - Deepening existing rural supply chains/clusters.
- **Building a location for future businesses.**
- **Exploiting major new project opportunities for local rural supply chains.**

Visitor economy growth priorities

- **Growing Cumbria's international visitor numbers.**
- **Enhancing Cumbria's adventure pursuits, cultural and heritage offer.**
- **Capitalising on opportunities from business tourism.**
- **Continued investment in and promotion of existing attractions, accommodation and infrastructure.**
- **Improving access to digital information and the ability to get around Cumbria.**

Response to Defra consultation

Cumbria LEP and Cumbria County Council have submitted a response to the Department for Environment, Food and Rural Affairs consultation on the future wellbeing of the county's rural economy, including food production, farming and protection of the environment post-Brexit.

On Common Agricultural Policy (CAP) reform, the consultation response explores piloting the idea of linking farm payments to productivity to help stimulate farm investment and the adoption of new technology for greater efficiency and reduced environmental impact.

The response also pressed for better targeted support for those communities, sectors and individuals that need it most, directed primarily at farming businesses and producers.

The consultation response also highlighted the need for:

- Improvements to infrastructure, transport links and online connectivity to open up access to learning and skills training provision
- Capital grants, advice and guidance to support farm diversification and additional income streams
- ICT and technical innovation, including fast, universal broadband and 4G+ mobile connectivity, to increase productivity and innovation
- Innovative payment mechanisms to reward farmers for making land available for flood storage, whilst minimising loss of agricultural production.

Case Study

Bid win for cultural regeneration funding

Cumbria LEP and its partners Lakeland Arts and the Wordsworth Trust successfully bid for £3.29m from a Government fund set up to showcase the North of England.

The World Heritage Lake District proposal was one of just three schemes to win Government backing via the Northern Cultural Regeneration Fund. The 11 LEPs in Northern England had been invited to bid for a share of the fund, which the Government hopes will build on the impact of the Great Exhibition of the North in Newcastle and Gateshead, which took place over the summer of 2018.

Lakeland Arts and the Wordsworth Trust are using the funds to carry out a package of investment projects creating high quality cultural and heritage experiences at Windermere Jetty; Dove Cottage and the Wordsworth Museum in Grasmere; and Kendal's Abbot Hall Art Gallery and Museum.



Stewart Young, Cumbria LEP board member & Leader, Cumbria County Council

“Agriculture and associated industries, along with tourism, sit at the heart of the county's rural economy. Cumbria LEP and the County Council submitted a joint response to the Defra consultation on the future wellbeing of the county's rural economy, including food production, farming and protection of the environment. Our aim is for our rural businesses to be both profitable and sustainable.”

SPOTLIGHT ON SECTORS

Manufacturing

Leading the way on productivity

Cumbria has some genuine economic strengths in terms of manufacturing output and productivity, with the county's performance in recent years outstripping other areas of the country.

The county has the potential to position itself as a global leader in manufacturing, nuclear engineering, energy production, tourism and food production, provided that it can develop appropriate connectivity and infrastructure. Transport and distribution add to these strengths.

There is also a need to replicate ongoing productivity success stories of key employers such as Innovia, James Cropper and Pirelli.

According to the Office for National Statistics Business Register Employment Survey 2016, Cumbria's percentage of Growth Value Added (GVA) derived from manufacturing, the measure of the value of goods and services produced, stands at 23%, the third highest performer of any area in the country.

Compare that with Birmingham's 13% and London's 2.1% and you can see where the county's core strengths lie and what a major contributor they are to economic performance. On this measure, the county also outperforms Sheffield and Leeds in the North.

Manufacturing is the largest sector of the Cumbrian economy, and the 16.3% of its workforce employed in that sector is the highest concentration of any area in the country. That means the county is home to some highly productive, innovative firms with world class manufacturing expertise.

They are diverse businesses too. Iggesund, James Cropper and Kimberly Clark underpin the 14% of Cumbria's manufacturing presence in the wood, paper products and printing industries, whilst the likes of Innovia and Pirelli specialise in rubber, plastics and non-metallic materials. Basic and fabricated metal products, especially in the nuclear sector, make up nearly a third of the county's manufacturing output.

With an established manufacturing base which is becoming increasingly influential in advanced technologies and specialist expertise, together with a growing SME supply chain, the county is well placed. But there are still gaps to bridge.

GVA produced per job filled is still lagging behind the UK average, even though the county is a median performer overall. If Cumbria's productivity equalled the national rate in each sector, its overall GVA would be around 20% higher. Cumbria LEP's aim must be to ensure that the county's manufacturing base is as least as productive as the UK's and is therefore a major driver of the economy.

Government has said that Local Industrial Strategies need to be based on its five foundations of productivity.

Productivity is its foremost priority, and that includes innovative ideas in industry and the business environment.

Case Study

Innovia is focused on films for the future

Innovia Films based in Wigton produces highly differentiated speciality Biaxially Oriented Polypropylene films. Their Wigton manufacturing site employs 630 people and produces more than 52,000 tonnes of film per year, 93% of which is for the export market. Polypropylene is a highly functional recyclable low carbon footprint material. When used as a packaging material, it can extend the shelf-life of perishable goods and considerably reduce food waste by controlling the transmission of gases and moisture vapour, both in and out of a pack.



Wayne Middleton, Managing Director, Innovia states: “Our new assets enable us to produce films that allow pack simplification, by removing or replacing layers within lamination materials that restrict recycling. We can also manufacture mono layer materials that will be easier to recycle and be included in circular economy packaging design processes.”

Alan Smith, Cumbria LEP board member & Leader of Allerdale Borough Council

“Key employers such as Innovia at Wigton employ hundreds of people in highly skilled industries which are utilising innovative design processes and increasing Cumbria's export capabilities.”

Case Study

Croppers continues productivity drive

“Efficiency and productivity improvements continue apace and we see scope for many more,” explains Chairman Mark Cropper in James Cropper's annual report and accounts for 2018. “This year was noteworthy for process waste being cut to its lowest ever level. Continued research, innovation and investment will be vital to maintaining our position. We are dedicating time and investment to ensure all who work for James Cropper are given the skills, know-how, accountability and awareness of our ambitions to have successful long term careers within the Group. These in turn, I hope, will ensure we can continue to expand for many years to come.”

James Cropper plc, Annual Report 2017/18



Investing in Growth

Investing Growth Deal Funding

Cumbria Local Enterprise Partnership is currently investing over £60m of funding from the Government's Growth Deal programme in a range of projects designed to accelerate economic growth in the county.

This includes the creation of key employment sites, improvements to road, rail, port and airport facilities, investing in better ICT and broadband coverage, and provision of state-of-the-art training facilities for workforce development.

The aim is to create at least 4,000 new jobs, 1,700 learning opportunities, 3,000 new homes, and over 60,000 square metres of new business space, as well as supplying 5,000 premises with superfast broadband by 2021.

Completed projects in the past twelve months include the £7.2m site reclamation to unlock new employment space at Barrow Waterfront, as well as the transport hubs at Maryport and Workington designed to encourage more sustainable travel, part of an overall investment of £7.8m from Cumbria LEP in infrastructure improvements in the county.

The 'Optimising Connectivity' project has also been completed. It provides a series of improvements along key tourist corridors to ease travel movement for visitors and improve local people's access to key employment sites.



Barrow Waterfront

**Stewart Young, Cumbria LEP
board member & Leader, Cumbria
County Council**

“With LEP funding, Cumbria County Council has delivered the Maryport and Workington station improvements, providing new car parking and improved access to the railway. As a result we have seen more activity at the train stations which has helped in boosting the vitality and connectivity of the towns and is enabling more people to choose to travel to other places by rail.”

The aim is to supply at least:

4,000

new jobs to fill
our existing jobs

1,700

learning
opportunities

3,000

new homes

60,000

square metres
of new business
space

5,000

premises with
superfast broadband
by 2021



Currock Bridge



Workington Transport Hub



University of Cumbria STEM Labs

Jackie Arnold MBE, Cumbria LEP Vice Chair & Head of Skills BAE Systems Submarines

“ We continue to build a pipeline of potential projects which will enable delivery of our ambition for the county which will keep us well placed to access funding to deliver as opportunities arise. ”

Investing Growth Deal Funding

Completed projects

Furness advanced manufacturing centre
£1,126,000

Carlisle advanced manufacturing centre
£900,000

Barrow Waterfront
£7,178,470

Infrastructure funding – devolved majors (Currock
Bridge and Workington and Maryport Transport Hubs)
£7,800,000

Business flood recovery
£2,000,000

Durranhill access improvements
£2,000,000

Cumbria skills and capital programme (1)
£2,000,000

Optimising connectivity
£2,000,000

Projects in progress:

Cumbria Skills and Capital Programme (2)
£1,160,000

Port of Workington – road access
£2,000,000

Connecting Cumbria
£3,600,000

Kendal transport infrastructure
£2,300,000

Mark House Development, Whitehaven
£4,500,000

Carlisle Airport
£4,950,000

South Ulverston infrastructure improvements
£3,910,000

Project Ark (clean growth project)
£2,600,000

SIS Pitches
£274,305

Around £50m of investment is now committed for projects in progress or already completed. Cumbria LEP is working with partners to develop several more projects in which to invest the remainder of the Growth Deal funding.

European Structural Investment Funds

Maximising funding availability from Europe

Cumbria LEP has been helping to manage the European Structural Investment Funds (ESIF) programme 2014-20, which includes the European Regional Development Fund (ERDF), the European Social Fund (ESF) and European Agriculture Fund for Rural Development (EAFRD).

The EAFRD programme closed for calls in May 2018 with expressions of interest from a wide variety of applicants. Requests for grant support totalled over £14m, double the amount available.

With projects covering Rural Business Development, Tourism Infrastructure and Food Processing, a range of schemes have been tabled, including improvements to Cumbria's 'Glamping' offer, rural business expansion, cycling infrastructure, new food processing facilities and specialist equipment.

The Rural Payments Agency is now working with individual project applicants to confirm eligibility and support for those best placed to deliver through the process of completing full applications.

The ERDF programme continues, with £28m already committed to projects either contracted or currently advancing through the application process.

Led by the Chamber of Commerce, the Cumbria Business Start-Up and Growth Hub project is aiming to increase business survival rates with intensive and specialist support for new and growing Cumbrian SMEs.

The Northern Powerhouse Investment Fund has also benefited from ERDF resources, with £2m earmarked to support a range of Cumbrian businesses.

Other ERDF project beneficiaries include the Cumbria Innovation Platform, Kingmoor Park Enterprise Zone and Eco-Innovation Cumbria.

Cumbria LEP is working with Government to deliver further ERDF funding rounds in 2018 and 2019. There will be a strong focus on research and development and innovation support, and/or facilities enabling Cumbria's SMEs to increase their R&D capacity.

Low carbon initiatives in support of the emerging LEP Energy Plan may also be eligible for funding, as well as those which support increases in bio-diversity and green and blue infrastructure to preserve Cumbria's world class natural environment. Keep an eye on the Cumbria LEP website for news of further ERDF funding rounds.

The cornerstone of ESF funding in Cumbria is The Edge, a £10m+ project which is helping Cumbria LEP drive forward the skills agenda in the county. Co-financed by the Education & Skills Funding Agency and delivered by a partnership of highly skilled and experienced providers of training and business support, it offers funded training solutions up to NVQ Level 4, support to recruit apprentices, and other services to Cumbrian employers and their workforces.

Other ongoing ESF funded initiatives include Launchpad, which is supporting young people not currently in employment, education or training, and The Key, which is helping unemployed local residents. Both are being delivered by Inspira. Local people who are struggling to find work also have access to support through Journey to Work, delivered by G4S, and Building Better Opportunities, a Big Lottery Fund initiative for residents furthest from the labour market.



European Union
European Structural
and Investment Funds

Case Study



Kingmoor Park Enterprise Zone

Up to £760,000 of European Regional Development Funding (ERDF) has been secured through Cumbria LEP to build new, high quality employment space at the Kingmoor Park Enterprise Zone near Carlisle, Cumbria's premier business park.

The site offers over 2 million square feet of space and buildings for industrial, office and warehouse and distribution use. With direct access to the M6, Kingmoor Park has been a critical economic development success story for Cumbria and is already home to more than 150 businesses, providing more than 2,200 jobs at the site.

A key aim is to take advantage of Cumbria's outstanding reputation as a centre for excellence in the nuclear and power generation sector, as well as building on a vibrant advanced manufacturing and logistics base.



Colin Glover, Cumbria LEP board member & Leader of Carlisle City Council

“The Kingmoor Park Enterprise Zone is set to be an economic development success story for Cumbria and will help to build a vibrant advanced manufacturing base for the county. The site is a key gateway location with accessible transport links within two hours of Newcastle, Manchester, Edinburgh and Glasgow.”

Governance

Moving forward

Cumbria LEP, as part of its governance review, is changing its governance structure to ensure that this is inclusive, action focused, aligned to Cumbria's strategic priorities and operates to the highest standards of accountability and propriety.

The new structure, which will be rolled out from October 2018 onwards, will align with the emerging Local Industrial Strategy. The LEP will have Strategy Boards that reflect the five foundations of productivity – Ideas and Innovation, People, Infrastructure, Business Environment and Places.

It will also focus on Cumbria's nine key sectors:

- **Advanced manufacturing**
- **Construction**
- **Creative and cultural**
- **Health and Social Care**
- **Logistics**
- **Nuclear**
- **Professional Services**
- **Rural Economy**
- **Visitor Economy.**

The LEP will retain an Investment Panel responsible for overseeing and developing the pipeline of investment opportunities.

The LEP is fully committed to developing strong scrutiny arrangements and is working with local government colleagues to develop a Combined Economic and Productivity Scrutiny Committee, which is in line with Government's requirements to see local government involved in the scrutiny of LEPs.

The LEP will also retain the Kingmoor Park Enterprise Zone (EZ) Delivery Board to ensure that the opportunities presented by the EZ are maximised for Carlisle and Cumbria.

Clearly, local partners will continue to participate in the nationally led Ministry of Housing Communities and Local Government European Structural and Investment Fund Committee.

All members of existing governance bodies will be invited to 'migrate' to the analogous body in the new structure. The LEP will then invite representatives from private, public and voluntary and community sectors to join the new governance structure.

An important requirement of the new structure will be to ensure we reflect the communities that we serve. We must make serious efforts both to improve gender equality and secure representatives from people with protected characteristics. All LEPs have a target to achieve at least a third female Board membership by 2020 and equal representation by 2023. This is a target which we will be treating extremely seriously and taking steps to address.

The LEP Board would like to thank all of our businesses, public and voluntary and community sector colleagues for the important contribution that they have made in taking forward Cumbria's growth and we invite you to join us as our new governance structure is implemented.

Stewart Young, Cumbria LEP board member & Leader, Cumbria County Council

“Cumbria County Council has fulfilled the role of the LEP's accountable body for the Growth Deal programme and Government has acknowledged this is working well in terms of LEP performance. We have made good progress in improving governance and our thanks are due to the County Council Section 151 Officer, Julie Crellin

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Accounts

Cumbria LEP Core & Strategic Funding for the year ended 31 March 2018 (2017-2018)

Description	Original Budget 2017-18 (Agreed at Board 27 Jan 17)	Actual Outturn 2017-18	Variance to Budget
CORE FUNDING			
INCOME			
Funding Brought Forward - Core	52,887.00	117,324.31	64,437.31
DCLG Core Funding	250,000.00	250,000.00	0.00
Core Match funding - Other Parties	28,000.00	28,000.00	0.00
Core - Match funding - Sellafield	50,000.00	50,000.00	0.00
Conference Centre / Incubator Units	15,000.00	12,000.00	-3,000.00
Energy Strategy Support	0.00	23,280.00	23,280.00
DIT Key Account Management Grant	0.00	36,000.00	36,000.00
Total Core Income	395,887.00	516,604.31	120,717.31
EXPENDITURE			
Staff Costs			
LEP Director	96,000.00	96,000.00	0.00
LEP Director - Recruitment	0.00	0.00	0.00
LEP Staffing	50,000.00	78,190.55	-28,190.55
Administrator	25,000.00	25,000.00	0.00
European Technical Assistance / Strategic Support	45,000.00	45,000.00	0.00
Board & Operational Expenses - Travel	2,000.00	1,310.40	689.60
Board & Operational Expenses - Other	8,000.00	1,169.80	6,830.20
Energy Strategy Support	0.00	23,280.00	-23,280.00
Marketing & Communications			
Events & Materials	25,000.00	11,640.00	13,360.00
Communications - General	70,000.00	69,571.67	428.33
Miscellaneous			
LEP Network	5,000.00	6,000.00	-1,000.00
Contingency	20,000.00	0.00	20,000.00
LEP Review	0.00	23,001.60	-23,001.60
Total Core Expenditure	346,000.00	380,164.02	-34,164.02
Funding Carried Forward - Core	49,887.00	136,440.29	86,553.29
NET CORE FUNDING	0.00	0.00	0.00

Description	Original Budget 2017-18 (Agreed at Board 27 Jan 17)	Actual Outturn 2017-18	Variance to Budget
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STRATEGIC FUNDING**INCOME**

Funding Brought Forward - Strategic	45,369.00	25,546.16	-19,822.84
DCLG Strategic Funding	250,000.00	250,000.00	0.00
Strategic - Match Funding - Other Parties	0.00	0.00	0.00
Strategic - Match Funding - Sellafeld	50,000.00	50,000.00	0.00

Total Strategic Income	345,369.00	325,546.16	-19,822.84
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EXPENDITURE**Operational Management / Intelligence**

Growth Deal Management by Accountable Body	85,000.00	85,000.00	0.00
European Technical Assistance / Strategic Support	45,000.00	45,000.00	0.00
Research & Intelligence Activity	45,000.00	39,273.65	5,726.35
External Professional Support	100,000.00	62,683.28	37,316.72
Strategic Economic Plan / Industrial Strategy Refresh	50,000.00	21,372.13	28,627.87

Total Strategic Expenditure	325,000.00	253,329.06	71,670.94
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Funding Carried Forward - Strategic	20,369.00	72,217.10	51,848.10
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NET STRATEGIC FUNDING	0.00	0.00	0.00
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