CUMBRIA'S LOCAL INDUSTRIAL STRATEGY

Jo Lappin, Chief Executive

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...the place
to grow

The Industrial Strategy

- Government White Paper 'Industrial Strategy; building a Britain fit for the future' produced on 27 November 2017
- Outlined plans to boost productivity and the earning power of people throughout the UK
- Framed around five foundations of productivity and four grand challenges

Foundations of Productivity

Ideas - the world's most innovative economy

People - good jobs and greater earning power for all

Infrastructure - a major upgrade to the UK's infrastructure

Business Environment - the best place to start and grow a business

Places - prosperous communities across the UK

Grand Challenges

- Putting the UK at the forefront of the artificial intelligence and data revolution
- Maximising the advantages for UK industry of the shift to green growth
- Becoming a world leader in shaping the future of mobility
- Harnessing the power of innovation to help meet the needs of an ageing society

DEVELOPING THE LIS

Expectations of the LIS

- ✓ Structured around the five foundations
- ✓ Responds to the four Grand Challenges
- ✓ Addresses government's expectations
- ✓ Identifies additional local expectations, agreed with our partners
- ✓ Socio-economic – equally about people and places as well as 'hard' economy

Seven-Stage Consultation Process

Stage 1 April 2018 – refreshing the focus of the partnership Steering Group

Stage 2 April 2018 ongoing – partnership awareness programme via presentations to a wide range of organisations and events

Stage 3 July 2018 – securing partnership buy-in to the emerging evidence base and the headline issues through 4 partnership workshops

Stage 4 October/November – partnership consultation events on the draft outline LIS

Seven-Stage Consultation Process

- **Stage 5 – November – 14 December online consultation on the draft outline LIS**

- **Stage 6 – 4/5 March 2019 – partnership consultation events on full draft LIS**

- **Stage 7 – up to 15 March 2019 – final comments on the near final draft.**

Twin Platforms

RE-POSITIONING CUMBRIA

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Our Strategic Location

Our Unique Offer

Cumbria's Unique Offer

Unique quality environment and geography
- Centre of north of Britain
- On key road (M6/A66) and rail (WCML) corridors
- Globally recognised for beauty and natural assets (2 National Parks, 3 AONBs, 2 World Heritage Sites)
- Lowest population density in England: space to visit and air to breath
- UK centre for outdoor adventure of all kinds

Unique economy
- Major concentration of globally oriented manufacturing
- Large visitor and outdoor industries
- Land-based and environmental industries

Our people and businesses
- Global nuclear expertise
- Centre for £40 bn "national endeavour new nuclear deterrent submarines
- Advanced manufacturing from speci paper, to lighting to plastics
- Strong and resilient Communities

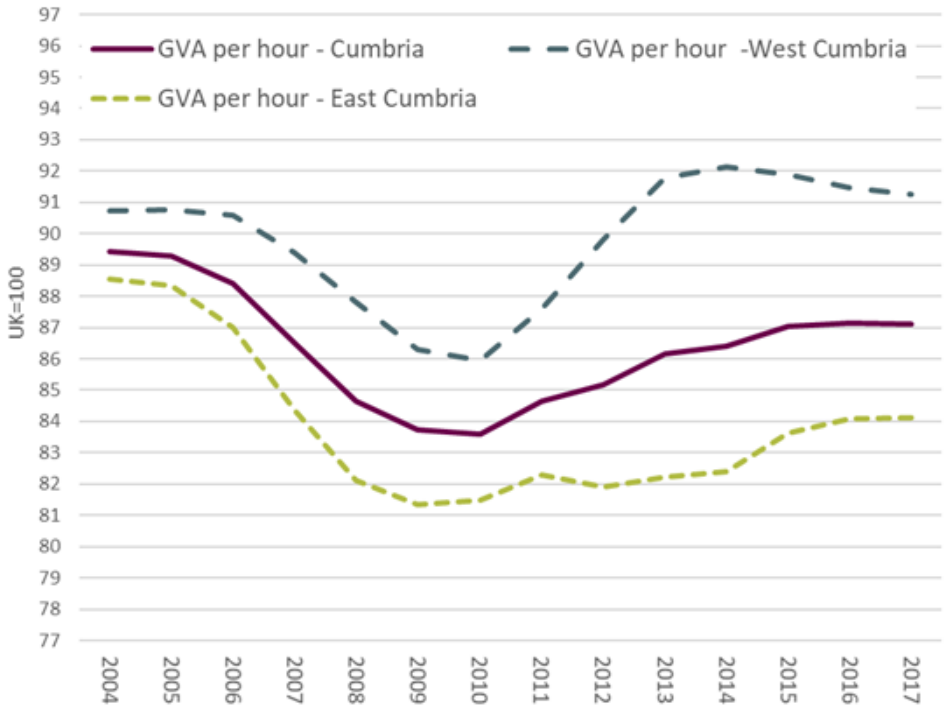
Strategic resources for the UK in 21st century
- One of England's key centres for high quality food
- Energy renewable resources: wind, tidal
- Water resources of the highest quality
- Forestry assets for recreation and the economy

Our Vision

The place to live, work, visit and invest sustainably – where exceptional industry and innovation meets a breathtakingly beautiful and productive landscape.

THE CHALLENGES

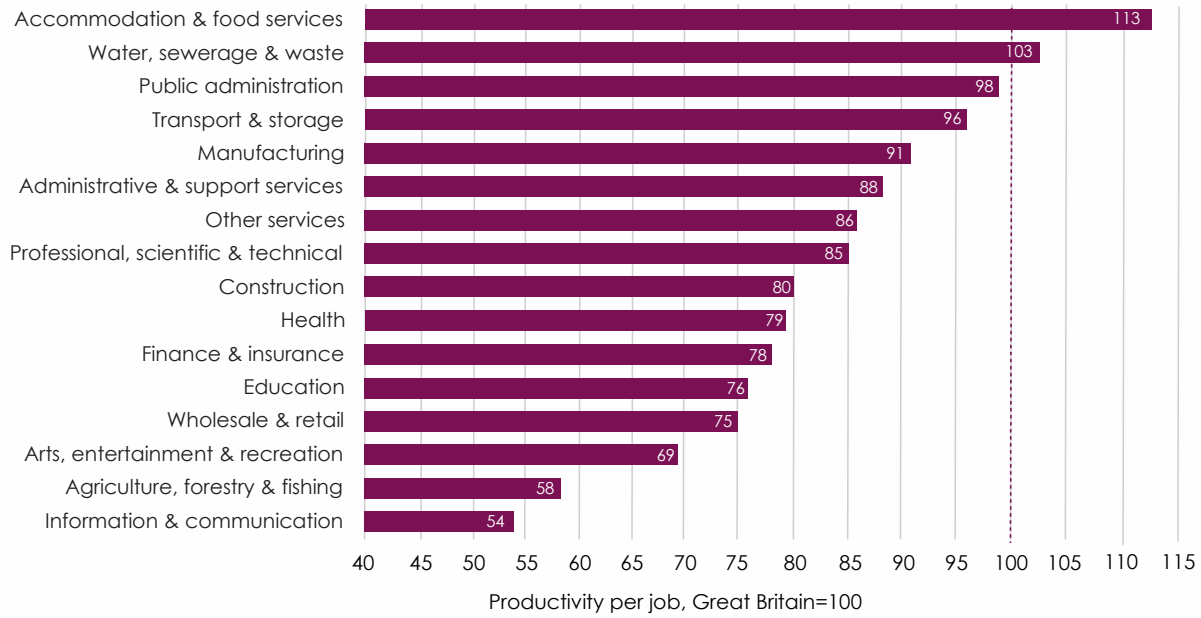
The productivity challenge (1)



Productivity 13% to 15% below UK average depending on the measure…

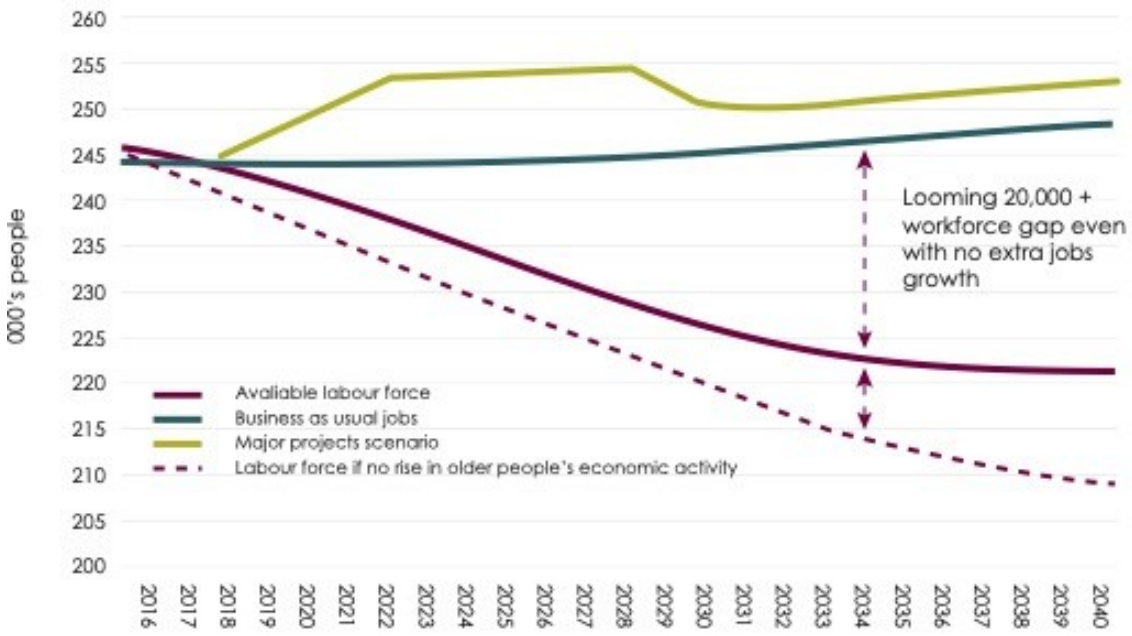
….improved since 2010 but flatlined recently

The productivity challenge (2)



A third of the gap on the UK due to our industrial make up the rest due to differences at a sectoral level

Strategic Imperative 1 – Declining working age population



Major challenge - one of few places in England where population has been falling

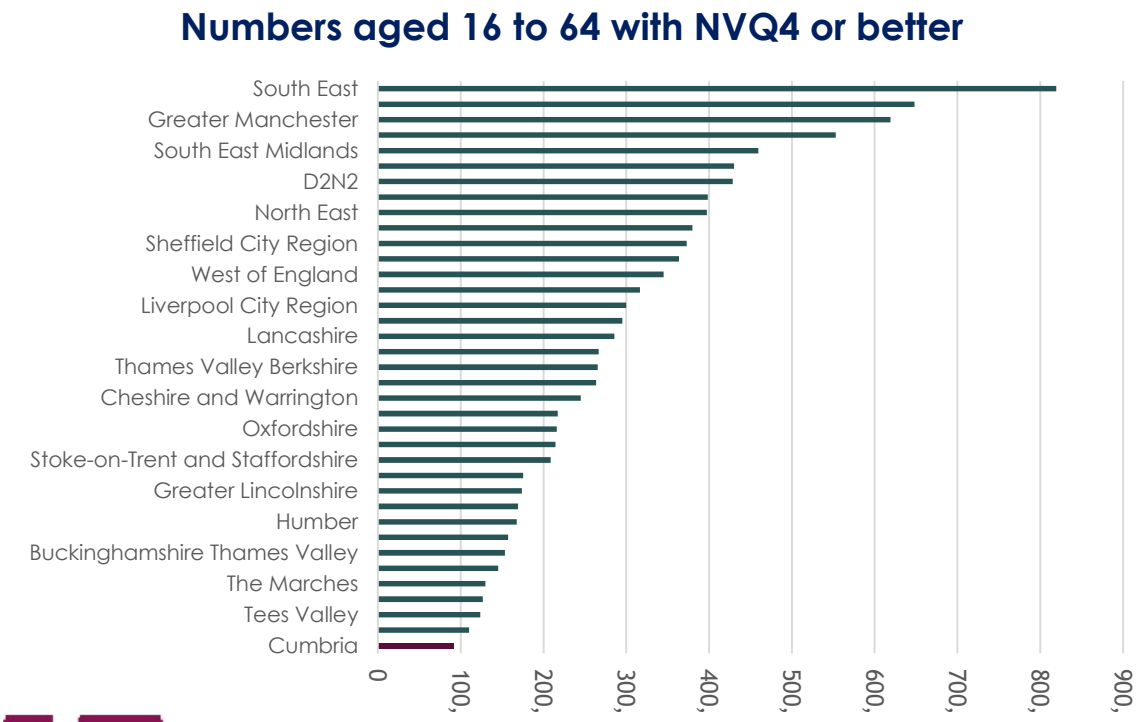
1. We need to look at attracting more people to work here

2. Retaining older workers

3. Addressing worklessness

Eden – decline slightly higher than that of Cumbria

Strategic Imperative 2 – Thin pool of higher level skills

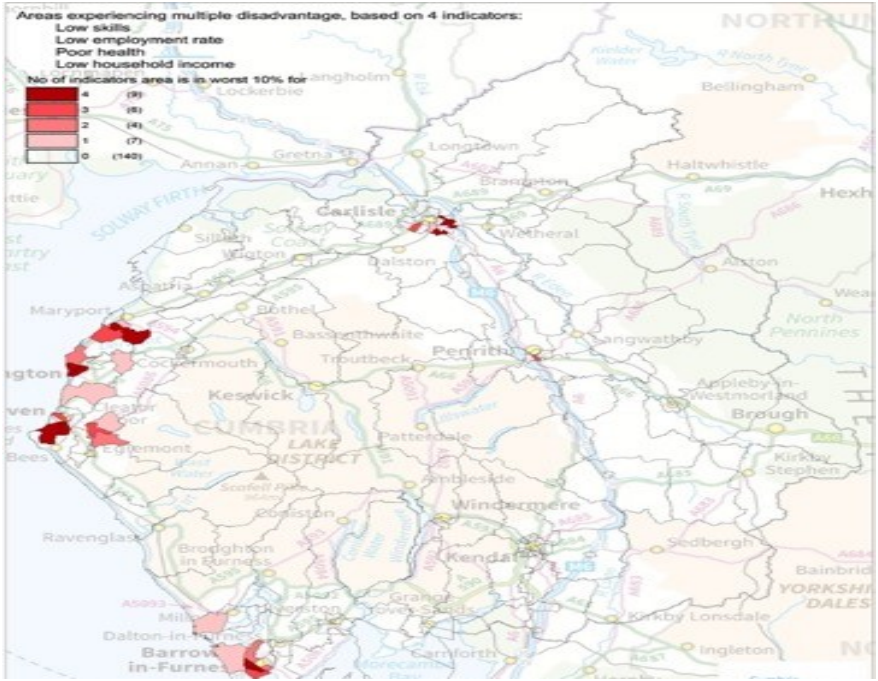


Smallest pool of those with "graduate" level qualifications in England of any LEP area

And in practice the labour markets across Cumbria are separate

A bit offset by proximity to other parts of UK (Lancashire and Scotland)

Strategic Imperative 3 –
Cold spots of worklessness and deprivation



Areas with high rates of unemployment, deprivation, low skills, poor health and worklessness overlap and are concentrated

Particular issue in parts of the West Coast, Barrow and parts of Carlisle

Also noticeable are those areas where deprivation is in areas with successful (and often growing) employers

Eden Position

People, Skills and Employment

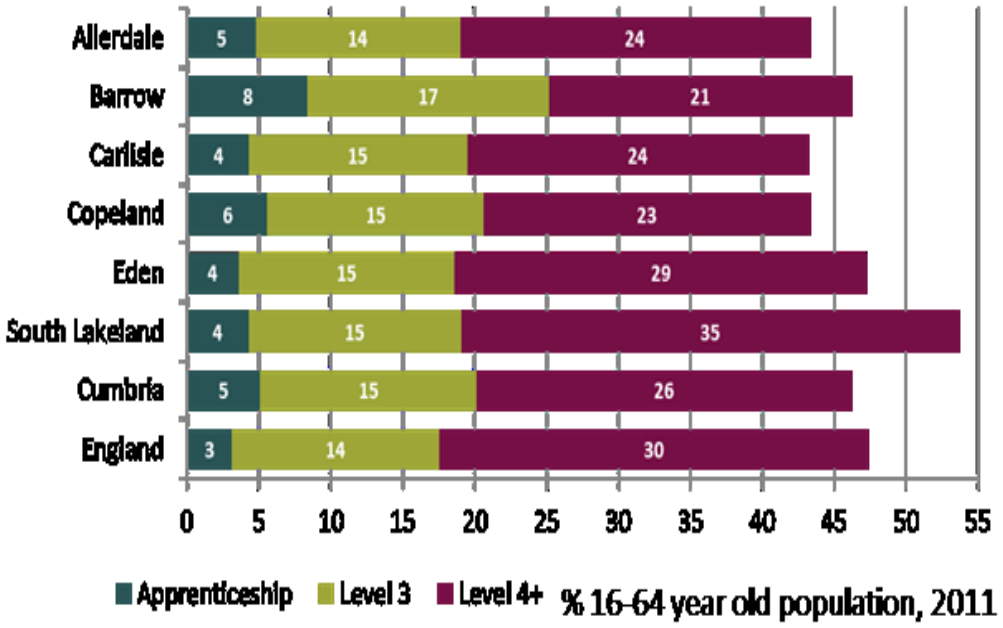
Area	Area sqkm	Population 000s	Population Density	England =100
England	130,310	55,619	427	100
North West	**14,107**	**7,259**	**515**	121
Cumbria	6,767	498	74	17
Allerdale	1,242	97	78	18
Barrow	78	67	860	201
Carlisle	1,039	108	104	24
Copeland	732	69	94	22
Eden	2,142	53	25	6
South Lakeland	1,534	104	68	16

Source: ONS Mid Year Population Estimates, 2017

- **Cumbria 8th largest LEP by area, with third smallest population.**
- **Land area nearly 50% of the North West, 18% of Northern Powerhouse and over a third the size of the South East**
- **We have by far the lowest population density and also economic output density (GVA per square km) of any LEP or county area.**
- **Eden has the lowest population density of any district in England.**

Eden Position

People, Skills and Employment



- Stronger performance on higher level skills
- Very high jobs density 0.98 vs 0.91 Cumbria and 0.86 GB
- 385 individuals claiming out of work benefits (1.2%)
  - Aged 18-24 unemployed 1.9%
  - Aged 18-21 unemployed 2.2%

Eden Position

Indices of Multiple Deprivation

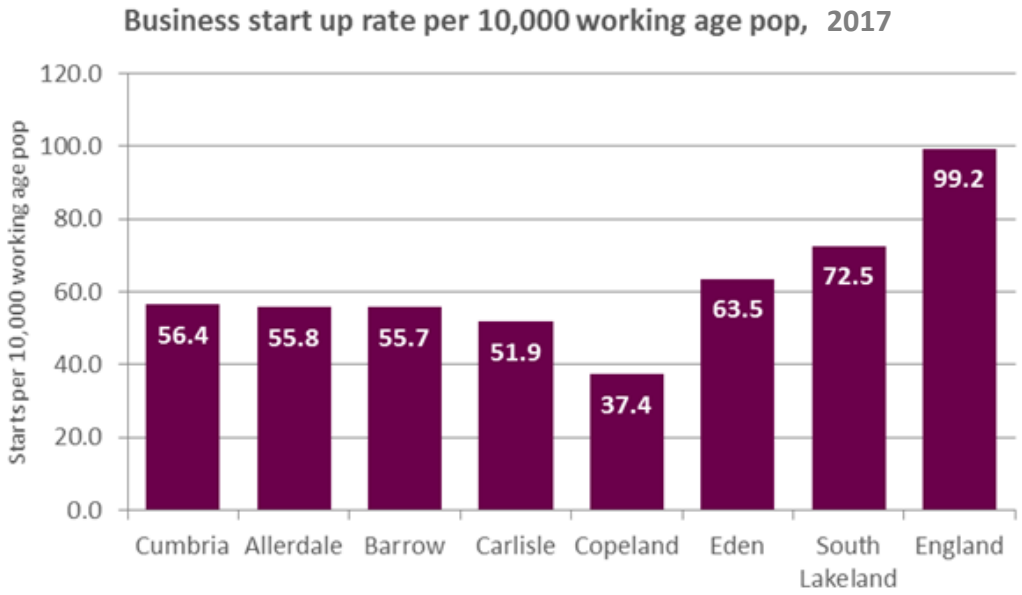
Local Authority	IMD - Rank of average rank	IMD - Rank of average score	IMD - Proportion of LSOAs in most deprived 10% nationally	IMD - Rank of proportion of LSOAs in most deprived 10% nationally
Barrow	44	29	22.5%	29
Copeland	63	72	12.2%	73
Allerdale	114	115	11.7%	79
Carlisle	112	116	7.4%	112
Eden	182	200	0.0%	200
South Lakeland	251	258	0.0%	200

Source: IMD 2015, note rank out of 326 local authorities in England 1 is most and 326 least deprived

Barriers to Housing and Services				
Local Authority	Rank of average rank	Rank of average score	Proportion of LSOAs in most deprived 10% nationally	Rank of proportion of LSOAs in most deprived 10% nationally
Eden	49	42	31%	21
Copeland	92	85	12%	92
South Lakeland	209	184	15%	71
Allerdale	214	191	13%	81
Carlisle	228	205	9%	129
Barrow-in-Furness	324	325	0%	264

- The extent of deprivation varies widely across Cumbria, with Barrow and Copeland containing the greatest proportion of areas with the highest levels of deprivation.
- However, it differs when considering "barriers to housing and services" which tends to be associated with the degree of rurality and here Eden, followed by Copeland, are the most deprived parts of Cumbria.

Strategic Imperative 4 – Business start-ups



Start-up rate 40% below the national average

Lack of dynamism and limited rate of churn in the business base

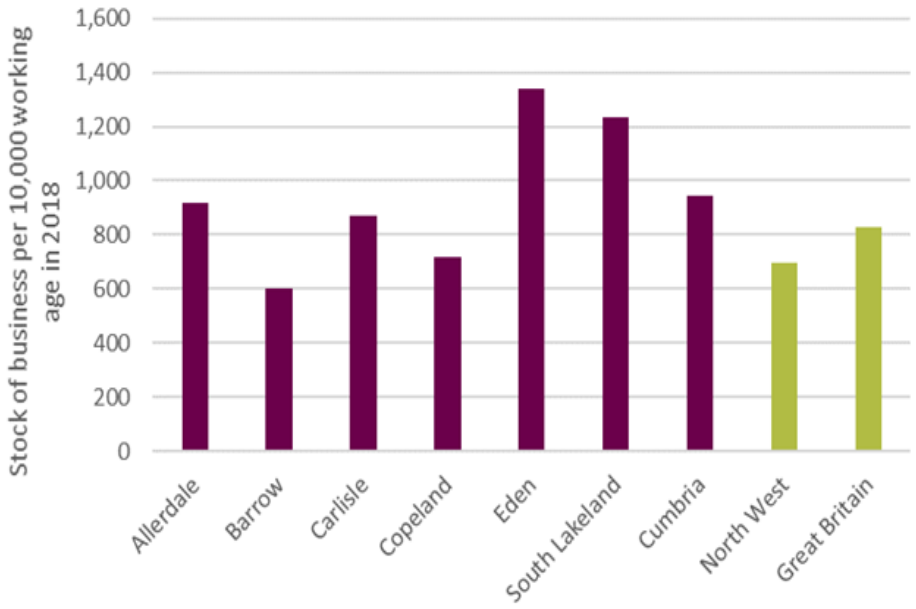
Strategic Imperative 5 – Faster growing firms

- Cumbria has fewer business that grow fast in both **absolute** and **relative** terms
- Measured in many different ways:
  - Proportion of start-ups that reach £1m+ turnover (2014-17)
  - Proportion of £1-2m turnover businesses that grow to £3m+ turnover
  - OECD Definition of "High-growth firms"
  - Productivity growth – firms who grow both in terms of jobs and revenues but have a faster rate of growth in revenues

Strategic Imperative 6 – Innovation

- Some really world class activity does take place
- Absolute rates of business R&D investment are mid range (albeit concentrated in a few firms)
- Levels and rates of engagement with formal knowledge transfer and innovation programmes
- Our challenge is the small number and relative isolation of "innovation active" firms
- Cumbria's ideas assets in terms of research institutions, research intensive firms and knowledge transfer facilities are thinly spread
- Strong on nuclear though and to a lesser degree environmental

Eden's Economy – Business Stock



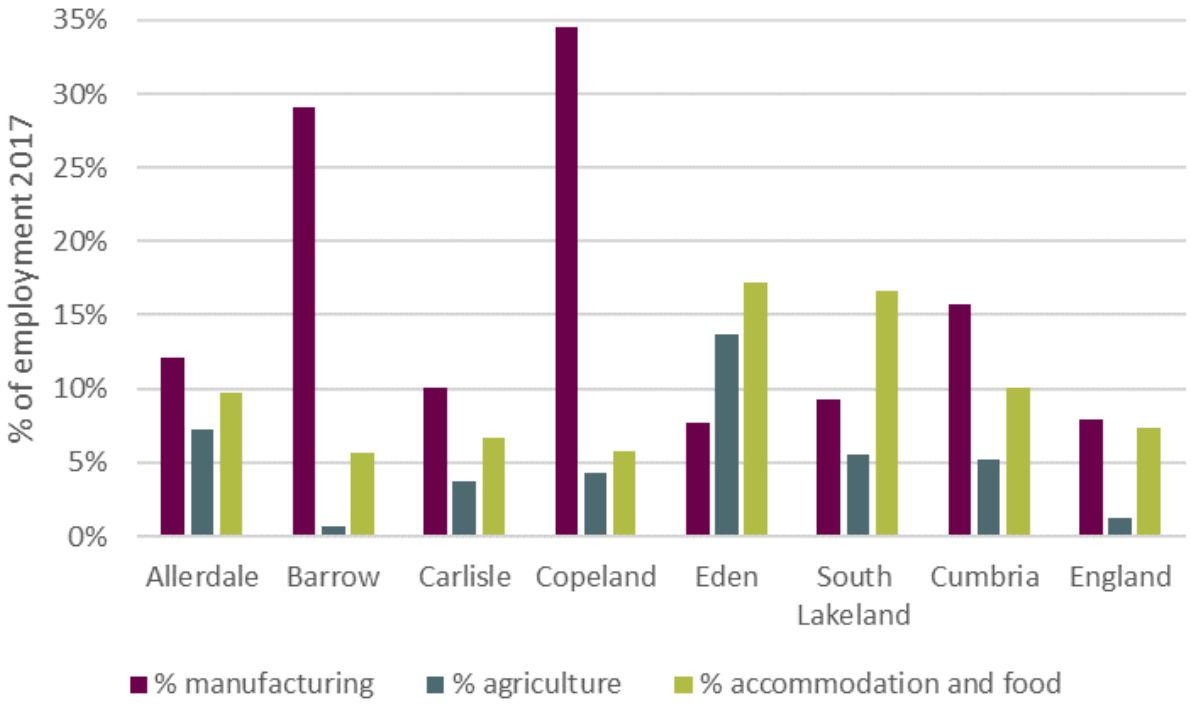
- Registered business in Cumbria in 2018 for every 10,000 residents of working age (16 to 64) slightly above the national rate (by 14%). However, the stock of business is proportionally much higher in Eden reflecting the importance of land based industries and the tourism sector. Overall, agricultural businesses account for 18% of the stock compared to just 4% in England
- Rates of self-employment follow these patterns. In 2011 self employed in Cumbria was 15% of all economically active slightly above the England average of 14%, rising to 25% in Eden.

Eden's Economy – Location Quotients

	LEP Comp	Cumbria	West	East	Allerdale	Barrow	Carlisle	Copeland	Eden	SLakes
Agriculture, forestry & fishin	2.6	3.4	2.7	4.0	4.2	0.4	2.4	2.5	8.3	3.5
Mining & quarrying	0.8	0.9	0.3	1.2	0.7	0.0	0.2	0.4	4.3	0.7
Energy and water	1.0	0.8	1.0	0.7	0.9	1.4	0.6	0.8	0.7	0.8
Manufacturing	1.4	2.0	3.0	1.2	1.5	3.7	1.2	4.1	0.9	1.3
Construction	1.1	1.2	1.3	1.1	1.5	0.9	1.0	1.3	1.2	1.1
Wholesale & retail	1.1	1.0	0.9	1.2	1.1	0.9	1.2	0.5	0.9	1.2
Transport & storage	0.9	0.9	0.7	1.1	0.8	0.7	1.6	0.4	1.2	0.5
Accommodation & food servi	1.3	1.4	1.0	1.7	1.3	0.8	0.9	0.8	2.2	2.2
Information & communicatio	0.5	0.3	0.2	0.4	0.2	0.4	0.4	0.1	0.2	0.4
Finance & insurance	0.4	0.3	0.2	0.4	0.2	0.3	0.4	0.1	0.3	0.3
Real estate activities (less im	0.9	0.8	0.5	1.0	0.8	0.2	1.0	0.4	0.6	1.2
Professional, scientific & tec	0.7	0.6	0.6	0.5	0.5	0.6	0.6	0.8	0.5	0.5
Administrative & support ser	0.8	0.5	0.5	0.6	0.6	0.3	0.7	0.6	0.4	0.5
Public administration	1.0	0.9	1.0	0.9	1.0	0.7	1.1	1.3	1.3	0.5
Education	1.0	0.9	0.9	0.9	1.1	1.0	0.8	0.6	0.9	0.9
Health	1.0	1.0	1.0	1.0	0.9	1.2	1.2	0.9	0.7	0.9
Arts, entertainment & recreat	1.0	1.0	0.9	1.0	1.2	0.7	0.8	0.6	0.6	1.5
Other services	0.9	0.9	0.8	1.0	1.0	0.6	0.8	0.6	0.9	1.2

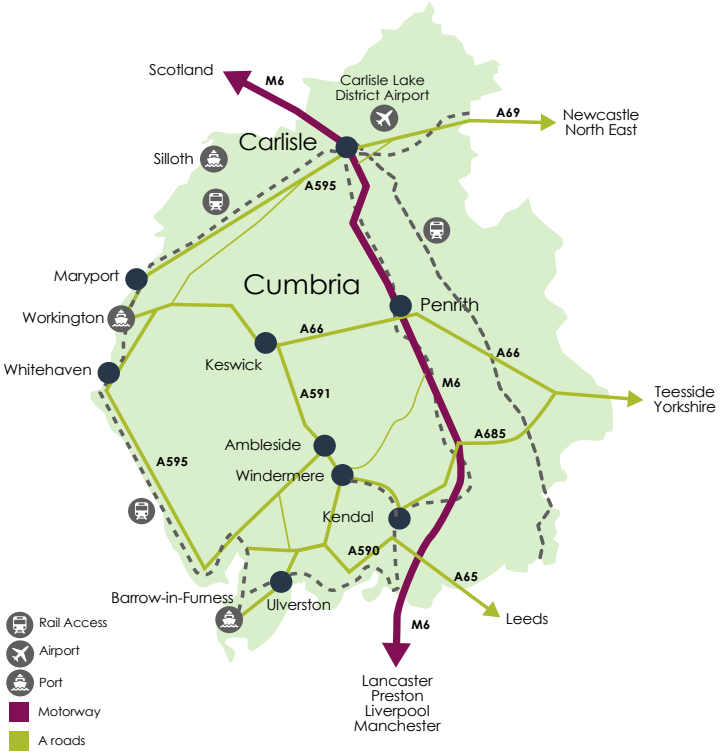
- Concentration of different business types
- England = 1.00

Eden's Economy



- **Eden's employment significantly more reliant on agriculture and accommodation and food**

Strategic Imperative 7 – Infrastructure



Our geography is challenging…

importance of excellent digital/mobile connectivity…

…infrastructure to attract and retain people and businesses…

…new housing for growth and affordability

Eden Position – Digital Connectivity

- Connecting Cumbria project has supported the roll-out of superfast broadband across the county
- By Q4 2018 93% of the 258,000 premises (residential and commercial) had access to superfast broadband, slightly below the national rate of 96%. Eden is currently less well served.

Area	Super fast	Ultra fast
	>24 meg	>100 meg
Allerdale	92.6%	1.1%
Barrow-In-Furness	99.0%	0.4%
Carlisle	93.9%	35.1%
Copeland	96.2%	0.5%
Eden	79.8%	3.9%
South Lakeland	92.4%	5.0%
Cumbria	**92.9%**	**9.5%**
UK	**95.8%**	**56.2%**
Source : Think Broadband Q4 2018		

- Access to a good mobile signal and data services is a particular issue in Cumbria, with in some places patchy reception and limited choice of providers. The coverage of 4G to premises and in terms of land area coverage is well below the England average. The coverage rate of 4G is particularly low in Copeland and to a lesser extent Allerdale.
- Across all of Cumbria apart from Barrow the coverage of 4G in terms of land area is below the average for all of England's rural areas.
- This is a particular concern for the tourism sector, mobile workers and land based industries

Area	4G to premises inside	4G coverage of land area
Allerdale	35.4%	39.5%
Barrow-in-Furness	60.5%	90.1%
Carlisle	40.3%	42.8%
Copeland	32.9%	21.0%
Eden	45.6%	44.9%
South Lakeland	38.9%	41.5%
Cumbria	**42.2%**	**46.6%**
All England	69.0%	73.1%
England Rural	29.4%	68.4%
England Urban	74.7%	95.2%
Q1 2018, Ofcom		

Latest Position

- Draft LIS and evidence base formally submitted to government end of March
- Initial Consultations with government analysts taken place on evidence base
- Met DCMS at invitation of Permanent Secretary to discuss opportunities for joint working
- Round-table with CLGU, analysts, DeFRA and Natural England took place in early April

Next Steps

- Preparing revised version of LIS – co-produced with government
- Securing ‘negotiating slots’ with priority departments, including DeFRA
- Refining the evidence base with analysts
- Developing comprehensive work programme to deliver LIS priorities

IMPLEMENTATION PHASE

Cumbria LIS Priorities

Promoting Cumbria	Innovation and Idea	People and Skills	Business environment	Infrastructure	Places
PC1: Develop Brand Cumbria to effectively markets Cumbria's enviable offer	Id1: Anchor more R&D activity	Sk1: Make best use of available talent (amongst the workless and older residents)	BE1: Develop and nurture a stronger enterprise culture in Cumbria	Inf1: Improve our digital connectivity	Pl1: Address cold spots of worklessness and social deprivation in Cumbria
PC2: Develop soft landing packages for those relocating to Cumbria	Id2: Operate as the national testbed for new ideas	Sk2: Develop and retain higher level skills in our economy	BE2: Increase the rate of fast growing businesses in Cumbria	Inf2: Invest in road and rail to facilitate growth and productivity	Pl2: Support local place shaping programmes
PC3: Promote Cumbria as the place where outdoor lifestyle meets technology businesses	Id3: Commercialise our excellent innovation and ideas	Sk3: Create the future workforce and skills to meet the needs of our economy	BE3: Develop strong and productive sectors and networks	Inf3: Develop products and interventions to increase housing delivery	Pl3: Encourage housing which is the right product at the right price in the right place
PC4: Promote Cumbria as a great location for inward investment	Id4: Develop the Innovative Cumbria programme	Sk4: Develop our future leaders and managers	BE4: Enhance and exploit supply chain opportunities	Inf4: Support development of new sites and premises in areas of demand	Pl4: Encourage and support bespoke local area economic diversification strategies
	Id5: Identify opportunities for innovation in "clean growth"	Sk5: Address worklessness and youth unemployment	BE5: Increase trade and new investment	Inf5: Ensure the key Infrastructure to support the development of a resilient and green economy	Pl5: Work with public sector partners to deliver high quality public services

Note: actions contribute to several strategic objectives, so symbol denotes contribution to the relevant strategic objectives:

- Growing and using our talent pool
- Capitalising on our productivity, innovation and enterprise potential
- Ensuring all our residents contribute by sharing prosperity and opportunity
- Exploiting under-developed economic opportunities
- Improving connectivity

Governance Structure