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CUMBRIA ECONOMIC BULLETIN

March 2010

A JOINT PUBLICATION


University of Cumbria
Centre for Regional Economic Development

Cumbria
 **Intelligence**
Observatory

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INTRODUCTION

Welcome to the March 2010 edition of the *Cumbria Economic Bulletin*.

For the benefit of new users, the Bulletin is jointly produced by the Centre for Regional Economic Development (CRED), at the University of Cumbria in Carlisle, and the Cumbria Intelligence Observatory (CIO). The aim of the Cumbria Intelligence Observatory (CIO) is to bring together existing research and analysis resources throughout Cumbria, working jointly with partners to provide information and intelligence for Cumbria. The Bulletin is intended to contain data relevant to the County for the benefit of a broad readership, but especially for policy makers, industrialists and academics.

We would like to take the opportunity to point out that a monthly unemployment and claimant count/rate briefing can be supplied via an *e-mail* distribution list. Names can be added to this list on request by e-mail to ginnym@investincumbria.co.uk. The monthly briefings are also posted on the Observatory website www.cumbriaobservatory.org.uk. A Monthly Economic Briefing is also produced collaboratively by The Cumbria Intelligence Observatory and Cumbria Vision. The Briefing highlights key information of relevance to the international, national and local economy and can be accessed from the downloads section of the Cumbria Vision website. Names can also be added to the Briefing's email distribution list on request by emailing: stuart.frank@cumbriavision.co.uk

Requests for additions or deletions to the mailing list for this Bulletin can be notified to any of the contacts listed below.

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We hope that you will find the Bulletin interesting and informative.

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SECTION 1 MACRO ECONOMIC OVERVIEW

The global economy

According to the International Monetary Fund (IMF), the global economy at the start of 2010 performed marginally better than anticipated. IMF estimates of world output for 2010 have been increased to 4 percent which is an upward revision of $\frac{3}{4}$ percent on figures reported in the October 2009 World Economic Outlook. The recovery is expected to be sluggish in the most advanced economies with most growth coming from emerging and developing economies driven by their internal demand. The IMF see the rebound from the downturn been driven by 'an extraordinary amount of policy stimulus' with public support for the financial sector crucial in preventing a negative spiral between the financial and other sectors of the economy.¹

The IMF acknowledges that governments will want to rebalance their budgetary positions and maintain fiscal sustainability without stifling the recovery. The fear of an early withdrawal of public policy support for the economy leading to a renewal of the downturn was clearly stated on the 30th January 2010 at the World Economic Forum in Davos, by Dominique Strauss-Kahn, the head of the IMF, who warned of the risk that governments would end stimulus programmes too soon.

"If we exit too early, there is the risk of a double-dip recession. In that case, I don't know what we can do because we have used all of the tools. The probability is low, but the risk is high,"²

Within Europe, the downturn and its effect on member states such as Greece has now led to a new fiscal policy focus within the Euro zone and the economic imbalances between member states have moved to the forefront of debate. The European Commission is also examining measures to curb currency speculation associated with sovereign debt.³

National Context in the UK

Most commentators suggest that the UK should start economic recovery at some point during 2010. In January the CBI predicted that the UK would come out of recession in the fourth quarter of 2009 but it expected GDP growth to fall back in the first half of 2010 seeing a gradual growth in the second half of 2010 /early 2011 as companies rebuild their stocks, household consumption increases and the global economy recovers.⁴

National Statistics have reported an increase in Gross Domestic Product (GDP) of 0.3% on the previous quarter, whilst still down on last year (-3.3%). This slight increase in GDP is reflected in a quarterly increase in manufacturing output (0.8%) and the service sector output (0.5%). Labour market conditions have not improved. Using the ILO definition, the unemployment rate rose 1.4% on last year to 7.8% but showed no increase over the previous quarter.

Reflecting the IMF view point in its 'Overview of Inflation' report, The Bank of England states

'the outlook for growth is underpinned by the considerable stimulus from the easing in monetary policy, and supported by global growth and the past depreciation of

¹ IMF World Economic Outlook UPDATE Jan 2010

² David Smith "MPC split on further quantitative easing" 31st Jan 2010 Times Online

³ Carl Mortished "Europe plans its own answer to the IMF" Times Online, March 9th 2010

⁴ CBI Economic & Business Outlook Jan 2010

sterling. But it is likely that credit conditions will remain restrictive for some time and that the need to strengthen public and private sector finances will weigh on spending.'

This acknowledges the IMF view that policy stimulus has aided the recovery and highlights that this stimulus will also have a downward effect on the availability of credit and the speed of the recovery within the UK.⁵

In February, the Bank of England held its base rate at 0.5% (which has been held since March 2009) and the stock of purchased assets financed by the issuance of central bank reserves was at £200 billion (quantitative easing), although it was reported that the decision to maintain the easing program was split between members of the Monetary Policy Committee (MPC), reflecting the difficult balance between budgetary concerns and economic stimulus faced by all national governments and central banks.⁶

Making the wrong decision could affect the nation's AAA credit rating which would have implications on interest rates and the national debt. The three main rating agencies Fitch, Standard & Poor's and Moody's have promised to defer any decision on the UK until after the election. However on the 9th March, Brian Coulton, Fitch's head of Europe, Middle East and Africa sovereign ratings warned that:

"The UK, Spain and France in particular must outline more credible fiscal consolidation programmes over the coming year given the pace of fiscal deterioration and the budgetary challenges they face in stabilising public debt. Failure to do so will intensify pressure on their sovereign ratings,"⁷

The split over the balance between budgetary concerns and economic stimulus is reflected within UK industries trade associations and the major political parties. The Institute of Directors (IoD) argue that swift action is required to tackle the budget deficit, a view that is opposed by the British Chamber of Commerce who see such action carrying a high risk of pushing us back into recession. The chancellor, Alistair Darling, has pledged to halve the deficit by 2014 but the CBI says that he has yet to provide sufficient detail as to how he will achieve this. To ensure that the UK does not lose its AAA rating the shadow chancellor, George Osborne, is arguing for swifter action to cut the deficit. This debate is likely to dominate discussions on the management of the economy in the period leading up to the General Election.⁸

Regional and local context

The economic downturn has had a significant impact on all regions of the UK. The numbers of unemployed in the North West Region as a whole has risen by nearly 41,000 over the 12 months to January 2010, an increase of 24.8 percent. This experience, however, is less severe than the national trend (up 29 percent) (See Section 4). As regards, Cumbria, the average for the county as a whole has risen by a lower rate of 19.2 percent. This average, however, hides variation within the County. Data for Travel to Work Areas reveal unemployment impacts above the average for the NW region not only in industrial areas (Barrow) but also in parts of the rural east of the County.

Our monitor of corporate change using press announcements (see Section 3) reveals an unprecedented pattern of reported job losses and gains. While this source clearly needs to be regarded with caution due to reporting bias and inconsistencies, it seems nonetheless significant to note that the number of jobs created in particular has fallen to levels not seen for many years. Looking back through ten years of the Cumbria Economic Bulletin, there are only two other issues (March and September 2002)

⁵ Overview of the Inflation Report Feb 2010 Bank of England

⁶ David Smith "MPC split on further quantitative easing" 31st Jan 2010 Times Online

⁷ Graham Wearden "Pound falls again on deficit fears." 9th March 2010 Guardian.co.uk

⁸ Suzy Jagger "Alistair Darling clashes with City over 'leisurely approach' to Budget" 8th March 2010 Times Online

where reported job gains fell below 400. In most issues since 2002, reported job gains have been well in excess of 1,000. In contrast, reported job losses of current magnitude (1158) have been witnessed several times in the past ten years (exceeding 1,000 on six occasions). It appears that the drop in the level of new job creation is the most evident feature of current reporting. It seems likely that this is due to the impact of reduced consumer spending on the retail and recreation sectors combined with reluctance to commit resources to new posts in the public sector in the current economic and political climate.

The local business situation facing the global and national downturn has been compounded by the floods in Cumbria. The public and private sector will have to encourage confidence in industries that have faced both economic and physical obstacles, the downward effect on tourist visitor numbers within Cumbria has been well reported in the press and we will have to wait and see what the vital summer season brings for this sector.

The reported local job market in this edition is not encouraging with three times as many losses to gains reported. The local economy in part relies on public sector employment and hopefully the authorities will successfully find a way of balancing their budgetary pressures with their responsibility to support the local economy. With the general election approaching each political party will no doubt be looking to ways to persuade the public that they have the correct balance for the future of both the local and national economy.

By the time of the next bulletin we will know what the country has decided.

SECTION 2 SELECTED NATIONAL ECONOMIC INDICATORS

Table 2.1: Economic Indicators

Economic Indicator	Level	Change on		
		previous month	previous quarter	year earlier
Gross Domestic Product (Q4 2009)	n/a		0.3%	-3.3%
Manufacturing output (Dec. 2009)	n/a		0.8%	-4.8%
Service sector output (Dec.2009)	n/a		0.5%	-2.5%
Headline annual inflation (RPI) (Jan,2010)		0.0%		3.7%
Underlying annual inflation (RPIX ⁹) (Jan,2010)		0.0%		4.6%
Base (Repo) interest rate (end Feb. 2010)	0.5%			
UK claimant count (Jan 2010)	1.635m		+3,100	+381,800
UK ILO unemployment rate (3 months to Dec.09)	7.8%		0.0%	1.4%
Whole economy productivity (Q3 2009)	n/a		-0.1%	-3.1%
Manufacturing productivity (Q3 2009)	n/a		1.2%	-2.4%
Halifax house prices (Jan.2010)	n/a	0.6%		3.6%
Sterling effective Exchange Rate Index (Jan. 2005=100) (end Feb 2010)	77.92	-4.29%	-1.89%	-0.70%

Sources: National Statistics; Bank of England Online statistics;
www.lloydsbankinggroup.com/media1/research/halifax_hpi.asp?WT.ac=MHPER [Accessed 02.03.10]
<http://www.bankofengland.co.uk/mfsd/iadb/Index.asp?first=yes&SectionRequired=I&HideNums=-1&ExtraInfo=true&Travel=NIX>. [Accessed 02.03.10]

⁹ RPIX = Retail Price Index excluding mortgage interest payments

SECTION 3

CORPORATE CHANGE IN CUMBRIA

Evidence from press reports suggests that the effects of the recession on the labour market are now becoming more visible in Cumbria. For the first time, we are seeing the number of reported job gains (376) being outweighed by the number of reported job losses (1158) and moreover, by a factor of three.

The impact of the recession is also clearly visible when looking at the sectoral distribution of reported job gains and losses (see Table 3.1). The manufacturing, construction and transport sectors have been hit badly. There have also been job losses in the public sector, notably in local government and higher education.

Manufacturing job losses (652) account for more than half of total reported job losses in the County over the last six months. Four of Cumbria's largest manufacturers – BAE Systems Submarine Solutions, GlaxoSmithKline, Iggesund Paperboard and Corus Process Engineering - have announced redundancies and have been forced to restructure due to the recession. In addition, four manufacturing firms have been forced to close. Heron Glass at the Lakes Glass Centre in Ulverston has closed with the loss of 18 staff. It manufactured high quality Studio Art Glass and innovative decorative lighting and giftware. Strand Engineering North West Limited in Barrow has gone into voluntary liquidation, work having "progressively dried up," (The Cumberland News 28/10/09). Geographically, Barrow has been affected the hardest with BAE, Corus and Strand Engineering all being located there.

The Transport, Storage and Communication sector has seen the second highest number of reported job losses (140) and Carlisle has been particularly affected. Rail workers have been the worst affected group. Nearly 50 jobs based in Carlisle are going at Network Rail as part of their proposed cuts in maintenance staff on the West Coast Main Line. "The biggest cut will be among track maintenance staff but jobs are also likely to be axed among signalling staff and supervisors," (The Cumberland News 5/11/09). The company is cutting staff in order to reduce costs. At Direct Rail Services, also in Carlisle, 16 or 17 workers will lose their jobs after Stobart Group announced that it would no longer be using the company as its rail freight operator. Stobart Rail itself is laying off 14 workers in Millom and Carlisle and another 45 due to unexpected delays in their redevelopment of Carlisle Airport.

The public sector is suffering financial pressures too. The University of Cumbria has announced forthcoming job losses due to accumulated deficits of £20M since opening in 2007. "A £25M investment promised by the Learning and Skills Council has failed to materialise" (The Cumberland News 4/12/09). Since up to £10M of savings are needed for the current year in order to break even, a voluntary severance scheme has been put into operation and it has been reported that up to 200 jobs will go. In public administration, Allerdale Council (47) and the Rural Payments Agency (50) are the main contributors to job losses.

One of the sectors that has seen large net job gains is that of Retail and this is due to the opening of three new stores, two of which are Tesco and Home Bargains. The Hotels and Restaurants sector has seen mixed fortunes with jobs arising from new or re-opened premises (see The Mill, Primo, Flavours and McDonalds) but also closures (see The Social Bar and café, The Crown and The Bay) bringing job losses.

A number of reported jobs will come on stream if planning approval is gained. These include:

- Asda plans to build a new supermarket at Dunmail Park Shopping Centre in Workington which may create up to 350 jobs.
- If plans are approved for a revamp of Carlisle's St. Nicholas Gate retail park in London Road, it could create up to 200 jobs. The plans involve partial demolition of existing units there and an increase in the total number of units from 7 to 10, providing an extra 32,000 ft² of retail floorspace.
- Dobbies have plans to build a garden world store of 31,000 ft² costing £7.5M at Orton Grange. It may create 80 to 90 jobs and could be open by February 2011 if plans are approved.
- Ulverston Brewing Company has submitted a planning application to move sites to the former auction building in Ulverston and plans to offer tours of the brewery which would create 2 new jobs.

Table 3.1: Reported Jobs Gained and Lost by Standard Industrial Classification (SIC)

	Jobs	
	To be / gained	To be / lost
Mining and Quarrying	-	-
Manufacturing		652
Electricity, Gas and Water Supply	13	
Construction		34
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	55	6
Hotels and Restaurants	55	50
Transport, Storage and Communication	15	140
Financial Intermediation	-	-
Real Estate, Renting and Business Activities	20	5
Public Administration and Defence; Compulsory Social Security		131
Education	10	140
Health and Social Work	60	
Other Community, Social and Personal Service Activities	55	
Miscellaneous *	93	
Totals	376	1158

* The data for this could not be de-categorised as the reported figure of job gains was an aggregate for several job categories (c.f. the text on the page opposite).

The data in this table is based on the author's allocations of reported jobs gains and losses to SIC codes and has not been verified by separate enquiry. Consequently, it should not be viewed as necessarily comprehensive or wholly accurate. Press reports generally do not identify how many jobs are full or part time, hence it is not possible to provide job numbers as Full Time Equivalents.

Table 3.2: Reported Jobs Gained and Lost – Breakdown

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
07-Sep-09	Direct Rail Services	Carlisle	Transport, Storage and Communication		16	Stobart Group announced it would no longer use the company as its rail freight operator.
10-Sep-09	Laing O'Rourke	Sellafield	Construction		17	These construction workers lost their jobs as one stage of a construction project came to an end.
23-Sep-09	Stobart Rail	Millom and Carlisle	Transport, Storage and Communication		14	Workers laid off in order to save money on travel and accommodation bills on out-of-County jobs.
24-Sep-09	Tesco	Millom	Retail	20		Opening a new store, taking over the branch from Somerfield.
24-Sep-09	Barrow Gas Processing Terminals	Barrow	Electricity, Gas and Water Supply	13		Six apprentices have been taken on and after their 4-year apprenticeship, they will move into roles within maintenance and production as mechanical and process production technicians. Seven apprentices who have just completed their apprenticeships will now take up technician roles.
28-Sep-09	The Mill	Ulverston	Hotels and Restaurants	10		After a £240,000 refurbishment of the former pub, it has re-opened as a two-floor, freehold bar and restaurant.
29-Sep-09	The Social Bar and Café	Carlisle	Hotels and Restaurants		12	Closure due to the parent co. going into administration.
30-Sep-09	Police stations	Whitehaven and Carlisle	Public Administration		16	8 people will go at each police station following a review of how the Force deals with non-urgent calls for services. There will be a new centralised Help-desk instead, at Penrith.
02-Oct-09	Iggesund Paperboard	Workington	Manufacturing		100	The jobs are going at its board mill at Siddick as it closes one of its 2 board machines due to the weak paper market.
09-Oct-09	Allerdale Council	Allerdale	Public Administration		47	This is in a bid to save £3.47M. "Council leader Tim Heslop said the recession, greater demand for services and Government funding cuts had contributed to financial problems." (Cumberland News).

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
09-Oct-09	Primo and Flavours	Carlisle	Hotels and Restaurants	20		Two new takeaway restaurants – Italian and Indian, respectively – will open in Belah.
09-Oct-09	DW Sports Fitness	Carlisle	Other Community, Social and Personal Service Activities	50		The new sports club will open on the site of the old Vasey's furniture showroom.
12-Oct-09	Home Bargains	Carlisle	Retail	27*		The rapidly growing chain is investing £500,000 to set up a store at Earl's Lane.
15-Oct-09	Tesco	Carlisle	Retail	8		The store at Rosehill is opening a mobile phone shop.
19-Oct-09	Future Jobs Fund	Cumbria	Miscellaneous	93		The County Council has £1.6M from the Fund in order to employ the long-term unemployed aged between 18 and 24. In the first month, 93 jobs should be created and, ultimately, there should be up to 70 jobs in healthcare, 50 in the nuclear industry, 50 in transport and logistics and 14 in the housing sector as well as 40 working directly for the Authority.
19-Oct-09	System Training	Irthington	Transport, Storage and Communication		10	The firm is part of System Group and is making people redundant due to cuts in funding for training by government agencies such as the Learning and Skills Council.
28-Oct-09	Hi Def Aerial Surveying Limited	Westlakes Science Park	Real estate, Renting and Business Activities	20		The co. has been contracted to conduct aerial surveys over sites earmarked for off-shore windfarms.
28-Oct-09	Strand Engineering NorthWest Ltd.	Barrow	Manufacturing		15	The engineering firm has gone into liquidation.
31-Oct-09	The Crown	Carlisle	Hotels and Restaurants		6	Closure of the pub.
04-Nov-09	The Bay	Carlisle	Hotels and Restaurants		6	Closure of the pub.
05-Nov-09	Network Rail	Carlisle	Transport, Storage and Communication		50	Part of their proposed cuts in maintenance staff on the West Coast Main line.

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
05-Nov-09	Liberata	Barrow	Transport, Storage and Communication	15		The new staff at the call centre will have jobs ranging from revenue officer and benefits assessor to customer service advisor.
17-Nov-09	TDG	Barrow	Transport, Storage and Communication		5	The haulage firm is laying off drivers as a consequence of having to downsize their fleet of vehicles.
17-Nov-09	Rural Payments Agency	Carlisle	Public Administration		50	The workers were on temporary contracts working on the processing of single farm payment claims.
20-Nov-09	McDonald's	Workington	Hotels and Restaurants	25		The restaurant has just had a £350,000 refit.
05-Dec-09	University of Cumbria	Cumbria	Education		140	The University is to introduce a voluntary severance package and has not ruled out compulsory redundancies.
27-Dec-09	Hayton Leisure Sportswear Ltd.	Maryport	Manufacturing		20	The sports and leisure manufacturer has gone into liquidation due to a major drop in work.
29-Dec-09	Heron Glass	Ulverston	Manufacturing		18	The glass manufacturer has closed due to the recession.
06-Jan-10	The Whitewater Hotel	Backbarrow	Hotels and Restaurants		26	Staff were laid off as a result of the River Leven rising and flooding the hotel in the November floods.
06-Jan-10	College House Day Nursery	Barrow	Education	10		Opening of a new nursery
15-Jan-10	Bank Mill Nurseries	Silloth	Retail		6	Staff have lost their jobs due to the low number of visitors caused by the cold snap and also road disruptions after the floods affecting visitors from West Cumbria.
18-Jan-10	Lakes Training Services	Kendal	Real estate, Renting and Business Activities		5	The firm provided training for workers in the construction industry but has closed due to cuts in training budgets of construction companies.
21-Jan-10	Romar Workwear	Workington	Manufacturing		8	Redundancies due to losing a clothing contract with Sellafield.

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
27-Jan-10	Hertel UK	Sellafield	Construction		17	The maintenance contractor is reducing its contract workforce of scaffolders, painters, joiners and riggers, on the Sellafield site due to insufficient work.
29-Jan-10	Stobart Group	Carlisle	Transport, Storage and Communication		45	A dispute over grazing land at Carlisle Airport has delayed the start of the co.'s £25M redevelopment there. It has led to these Stobart Rail workers, who were due to be transferred to construction jobs, being laid off.
03-Feb-10	GlaxoSmithKline	Ulverston	Manufacturing		190	The workforce is being reduced from 400 to 210 at the antibiotic factory in the firm's restructuring.
03-Feb-10	Wyndham Manor Care Home	Cleator Moor	Health and Social Work	60		A new care home opening creating jobs for managers, carers, cleaners, gardeners, laundry workers and handymen.
05-Feb-10	Hair@Jibe	Workington	Other Community, Social and Personal Service Activities	5		The hair salon is opening new premises.
11-Feb-10	BAE Systems Submarine Solutions	Barrow	Manufacturing		230	It follows a review of the firm's current and future workload requirements.
17-Feb-10	Cumbria Police	Cumbria	Public Administration and Defence		18	Civilian workers are being made redundant following a revamp of the "command and control" system of call handling.
22-Feb-10	BPI Films	Brampton	Manufacturing		39	Closure of the packaging factory after making losses for a number of years.
27-Feb-10	Corus Process Engineering	Barrow	Manufacturing		32	Restructuring of the business due to the economic downturn.

* This figure is a mid-range figure taken from the range which the company quoted as the estimated job gains.

The information in this table has been obtained from local press reports and has not been verified by separate enquiry. Consequently, it should not be viewed as necessarily comprehensive or wholly accurate. Press reports generally do not identify how many jobs are full or part-time, hence it is not possible to provide job numbers as Full Time Equivalents.

SECTION 4 UNEMPLOYMENT AND CLAIMANT DATA

Claimant trends in Cumbria

The number of people claiming unemployment benefit has risen significantly in Cumbria from a year ago. The figures reveal an annual rise of 19.2% for the county between Jan 2009 and Jan 2010 with 1,417 more claimants (up to 8,786 people); see Table 4.1. This is a substantially lower rise than in the UK (up 29%) and the North West (up 24.8%) and the rise has slowed since the last Bulletin (where the number of claimants in Cumbria had risen by 59% over the year). Unemployment has risen over the year in all districts. The highest percentage rises were in Eden (up 47.2%) and Barrow (up 24.6%) and the lowest percentage rises were in Copeland (up 12.6%) and Carlisle (up 15.7%).

Analysis of the data by Travel to Work Areas (TTWAs) allows some of the variations within districts to be more clearly seen. Absolute claimant counts are still relatively low in Keswick and Windermere, while the major industrial centres have counts ranging from 1,520 in Whitehaven to 2,276 in Carlisle. The Jan 2010 figures show an annual rise in all TTWAs. Numerically, the biggest rise over 12 months was in Barrow (up 396).

The picture is slightly different when viewed over a 6-month period. Between Jul 2009 and Jan 2010 unemployment in Cumbria rose by 10.6% (842) which is higher than the rise of 5.1% in the UK and 4.2% in the North West. The 6 month figures for Cumbria are affected by seasonal trends though, as evidenced by the unemployment count rising sharply over the past 6 months in the tourist areas of Appleby, Keswick and Windermere. Because of these seasonal factors, change over 12 months gives the best indication of trends in Cumbria.

Table 4.1: Claimant counts

	Jan 09	Jul 09	Jan 10	6-Month Change Jul 09-Jan 10		Annual Change Jan 09-Jan 10	
				No	%	No	%
Allerdale	1,642	1,671	1,903	232	13.9	261	15.9
Barrow	1,352	1,538	1,684	146	9.5	332	24.6
Carlisle	1,826	2,103	2,113	10	0.5	287	15.7
Copeland	1,422	1,432	1,601	169	11.8	179	12.6
Eden	390	403	574	171	42.4	184	47.2
South Lakeland	737	797	911	114	14.3	174	23.6
Appleby TTWA	125	115	148	33	28.7	23	18.4
Barrow TTWA	1,566	1,786	1,962	176	9.9	396	25.3
Carlisle TTWA	1,975	2,283	2,276	-7	-0.3	301	15.2
Kendal TTWA	429	466	503	37	7.9	74	17.2
Keswick TTWA	82	51	93	42	82.4	11	13.4
Penrith TTWA	228	256	383	127	49.6	155	68.0
Whitehaven TTWA	1,372	1,372	1,520	148	10.8	148	10.8
Windermere TTWA	80	73	122	49	67.1	42	52.5
Workington TTWA	1,469	1,503	1,732	229	15.2	263	17.9
Cumbria	7,369	7,944	8,786	842	10.6	1,417	19.2
North West	164,996	197,595	205,916	8,321	4.2	40,920	24.8
United Kingdom	1,282,645	1,573,139	1,654,025	80,886	5.1	371,380	29.0

Source: Office for National Statistics via NOMIS

The trends in numbers of claimants are also reflected in the rates of unemployment for the districts (% of working age population) which are shown in Table 4.2. Across the county as a whole, the official unemployment rate was 3.0% in Jan 2010, up by 0.5 from the rate a year ago and by 0.3 from 6 months ago. The rate in Cumbria remains below the UK rate of 4.3% which increased more sharply over the year (up by 0.9). Rates in all Cumbria's

districts are still below the national rate and similarly at TTWA level, rates have risen in all areas over the year but are all below the UK. Rates in the past 6 months have risen most in the tourist area of Keswick, followed by Penrith.

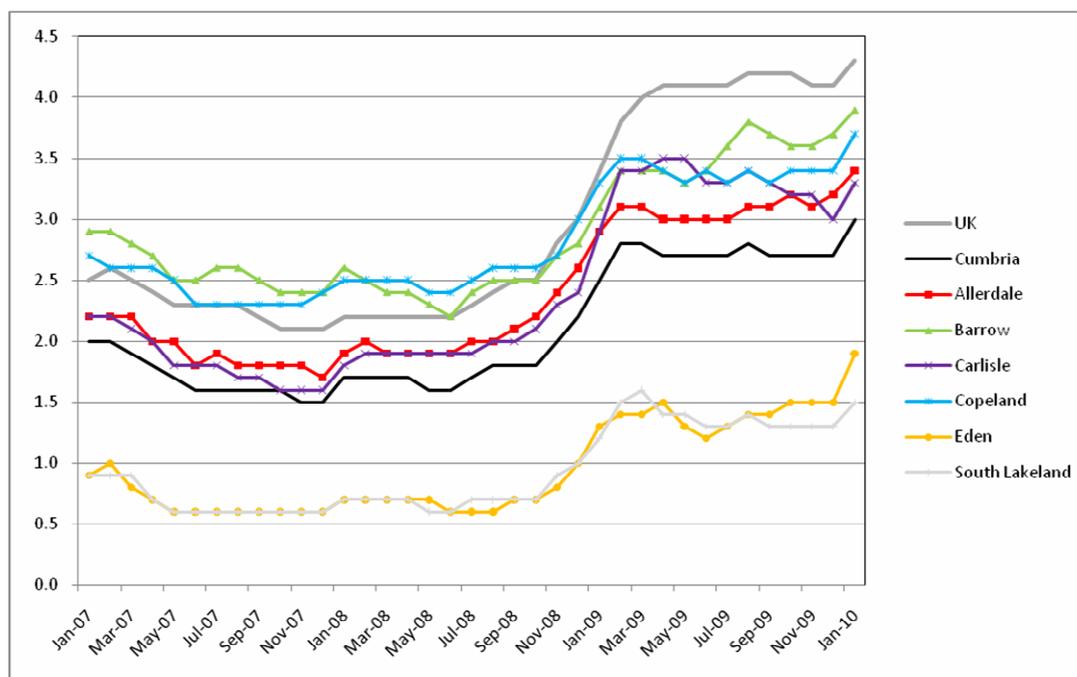
Table 4.2: Claimant count rates (resident based)

	Jan 09	Jul 09	Jan 10	6-Month Change Jul 09-Jan 10	Annual Change Jan 09-Jan 10
Allerdale	2.9	3.0	3.4	0.4	0.5
Barrow	3.1	3.6	3.9	0.3	0.8
Carlisle	2.9	3.3	3.3	0.0	0.5
Copeland	3.3	3.3	3.7	0.4	0.4
Eden	1.3	1.3	1.9	0.6	0.6
South Lakeland	1.2	1.3	1.5	0.2	0.3
Appleby TTWA	1.5	1.4	1.8	0.4	0.3
Barrow TTWA	2.8	3.2	3.5	0.3	0.7
Carlisle TTWA	2.9	3.3	3.3	0.0	0.4
Kendal TTWA	1.3	1.4	1.5	0.1	0.2
Keswick TTWA	1.4	0.9	1.6	0.7	0.2
Penrith TTWA	1.2	1.3	1.9	0.6	0.8
Whitehaven TTWA	3.4	3.4	3.7	0.4	0.4
Windermere TTWA	0.7	0.6	1.1	0.4	0.4
Workington TTWA	3.3	3.4	3.9	0.5	0.6
Cumbria	2.5	2.7	3.0	0.3	0.5
North West	3.9	4.7	4.9	0.2	1.0
United Kingdom	3.4	4.1	4.3	0.2	1.0

Source: Office for National Statistics via NOMIS

Figure 4.1 charts the unemployment rate over three years from Jan 2007 through to Jan 2010. This shows that the trend in the UK has been for the unemployment rate to rise more quickly than in Cumbria, having started below Copeland and Barrow in 2007 but ending higher than all six districts by 2010.

Figure 4.1: Claimant rate trends compared to UK Jan 2007-Jan 2010



Source: Office for National Statistics via NOMIS

Long Term Unemployment

The number of long-term unemployed (those claiming benefits for over one year) has risen over the past 12 months and there are now 900 people in Cumbria who have been claiming for more than a year. The biggest rise has been in Allerdale (up 130).

Table 4.3: Number of Long Term Unemployed Claimants (12 months+)

	Jan 09	Jul 09	Jan 10	6-Month Change Jul 09-Jan 10		Annual Change Jan 09-Jan 10	
				No	%	No	%
Allerdale	110	155	240	85	54.8	130	118.2
Barrow	120	115	160	45	39.1	40	33.3
Carlisle	105	145	220	75	51.7	115	109.5
Copeland	115	155	195	40	25.8	80	69.6
Eden	15	10	35	25	250.0	20	133.3
South Lakeland	20	25	50	25	100.0	30	150.0
Appleby TTWA	5	0	10	10	##	5	100.0
Barrow TTWA	135	125	180	55	44.0	45	33.3
Carlisle TTWA	115	160	240	80	50.0	125	108.7
Kendal TTWA	5	10	25	15	150.0	20	400.0
Keswick TTWA	5	5	5	0	0.0	0	0.0
Penrith TTWA	5	10	20	10	100.0	15	300.0
Whitehaven TTWA	110	150	185	35	23.3	75	68.2
Windermere TTWA	0	5	5	0	0.0	5	##
Workington TTWA	105	140	225	85	60.7	120	114.3
Cumbria	485	605	900	295	48.8	415	85.6
North West	14,250	18,810	30,055	11,245	59.8	15,805	110.9
United Kingdom	108,555	144,260	236,590	92,330	64.0	128,035	117.9

Source: Office for National Statistics via NOMIS (data rounded - values may not sum)

The proportion of the unemployed out of work for more than 12 months (see Table 4.4) is a good indicator of labour market conditions in an area and, as predicted in the last Bulletin, the marked rise in unemployment has now resulted in an increase in long term unemployment - up from 6.6% to 10.3% over the year.

Table 4.4: Proportion of Claimants Who are Long Term Unemployed (12 months+)

	Jan 09	Jul 09	Jan 10	6-Month Change Jun 09-Jan 10	Annual Change Jan 09-Jan 10
Allerdale	6.8	9.2	12.9	3.7	6.1
Barrow	8.9	7.5	9.5	2.0	0.6
Carlisle	5.8	6.9	10.4	3.5	4.6
Copeland	8.1	10.9	12.2	1.3	4.1
Eden	3.4	3.0	6.2	3.2	2.8
South Lakeland	2.9	3.3	5.6	2.3	2.7
Appleby TTWA	3.2	1.7	6.8	5.1	3.6
Barrow TTWA	8.7	7.1	9.2	2.1	0.5
Carlisle TTWA	5.8	7.0	10.6	3.6	4.8
Kendal TTWA	0.9	2.4	5.0	2.6	4.1
Keswick TTWA	3.7	6.0	7.8	1.8	4.1
Penrith TTWA	2.7	3.1	5.9	2.8	3.2
Whitehaven TTWA	8.1	11.1	12.2	1.1	4.1
Windermere TTWA	1.2	4.2	4.9	0.7	3.7
Workington TTWA	7.1	9.2	13.2	4.0	6.1
Cumbria	6.6	7.7	10.3	2.6	3.7
North West	8.7	9.6	14.7	5.1	6.0
United Kingdom	8.5	9.2	14.4	5.2	5.9

Source: Office for National Statistics via NOMIS

Claimant Destinations

The destination of those leaving the register can be analysed to give an indication of what is driving the change in the claimant count (Tables 4.5 and 4.6). In the last six months, 11,500 people left the register in Cumbria, the highest number (3,145) being in Carlisle and the lowest in Eden (670). The most common reason for leaving the register was because the individual had found work (4,540). A further 3,355 failed to sign and didn't give a reason and it is fair to assume that most of these had found employment. The number transferring onto Govt supporting training programmes was 1,005.

Table 4.5: Destination of Those Leaving the Register (number) Jul 09-Jan 10

	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland	Cumbria
Found work	900	820	1,175	720	285	640	4,540
Increased work to 16+ hours/week	5	10	30	10	5	5	65
Gone abroad	75	85	110	70	30	60	435
Claimed Income Support	15	15	25	20	5	10	85
Claimed Incapacity Benefit	15	15	5	10	5	5	55
Claimed another benefit	35	25	55	10	10	20	150
Gone to full-time education	25	45	35	20	5	25	150
Gone onto approved training	0	0	0	0	0	0	5
Transfer to Govt-supported training	210	265	230	230	20	50	1,005
Retirement age reached	5	0	5	5	0	0	15
Automatic credits payable	0	0	0	0	0	0	0
Claims back-to-work bonus	0	0	0	0	0	0	0
Gone to prison	20	30	45	15	5	5	125
Attending court	0	0	0	0	0	0	0
New claim review	20	25	60	25	5	15	150
Defective claim	20	10	15	20	10	10	85
Ceased claiming	35	45	85	25	15	50	260
Deceased	0	0	0	0	0	0	5
Not known	255	190	225	190	50	100	1,015
Failed to sign	575	550	1,055	525	210	440	3,355
Column Total	2,220	2,130	3,145	1,895	670	1,440	11,500

Figures rounded to nearest 5. Source: Office for National Statistics via NOMIS

The proportion of those moving off the register into employment over the past 6 months was 63.7% in Cumbria which is slightly lower than the regional and national figures of 66.5% and 65.4% respectively (Table 4.6). This proportion was particularly high in Eden and South Lakeland.

Table 4.6: Destination of Those Leaving the Register (proportion) Jul09-Jan10

	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland	Cumbria
Found work	64.9	59.0	62.8	60.9	70.0	71.5	63.7
Increased work to 16+ hours/week	0.5	0.9	1.6	0.7	1.5	0.4	0.9
Gone abroad	5.3	6.2	5.9	5.9	7.6	6.8	6.1
Claimed Income Support	1.0	1.0	1.3	1.7	1.0	0.9	1.2
Claimed Incapacity Benefit	0.9	1.1	0.3	1.0	1.0	0.7	0.8
Claimed another benefit	2.6	1.7	2.9	0.9	2.2	2.1	2.1
Gone to full-time education	1.8	3.1	1.8	1.8	1.5	2.7	2.1
Gone onto approved training	0.1	0.1	0.1	0.0	0.2	0.0	0.1
Transfer to Govt-supported training	15.1	19.0	12.4	19.3	5.1	5.7	14.1
Retirement age reached	0.4	0.1	0.2	0.3	0.5	0.1	0.2
Automatic credits payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims back-to-work bonus	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gone to prison	1.6	2.1	2.4	1.3	1.2	0.8	1.7
Attending court	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New claim review	1.4	1.8	3.1	2.3	1.7	1.7	2.1
Defective claim	1.4	0.8	0.7	1.7	2.4	0.9	1.2
Ceased claiming	2.7	3.1	4.5	2.2	3.9	5.8	3.6
Deceased	0.1	0.1	0.0	0.0	0.2	0.0	0.1

Source: Office for National Statistics via NOMIS NB: Percentages are of those for whom a reason for leaving the register was given and therefore do not include the not known or failed to sign categories.

Claimant counts by ward across Cumbria

Table 4.7 shows claimant counts rates at ward level across Cumbria. At this degree of spatial disaggregation there is much more variability in the trends. The ward with the highest number of claimants in Cumbria is Central in Barrow with 298, followed by Castle (244) in Carlisle and Hindpool in Barrow (220). Of the 168 wards in Cumbria, 125 experienced a rise in claimants between Jan 2009 and Jan 2010 with Hindpool showing the biggest numerical increases (up 64). A further 35 experienced a fall in claimant numbers over the year and 8 showed no change.

Table 4.7: Cumbrian ward level claimant counts and rates

ALLERDALE	Jan 09		Jul 09		Jan 10		6-Month Change Jul 09-Jan 10		Annual Change Jan 09-Jan 10	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
All Saints	57	2.1	52	1.9	71	2.6	19	0.7	14	0.5
Aspatria	65	3.2	70	3.5	78	3.9	8	0.4	13	0.6
Boltons	6	0.6	8	0.8	16	1.5	8	0.8	10	1.0
Broughton St Bridget's	43	1.6	31	1.2	48	1.8	17	0.6	5	0.2
Christchurch	33	1.7	33	1.7	39	2.1	6	0.3	6	0.3
Clifton	34	3.7	37	4.0	59	6.5	22	2.4	25	2.7
Crummock	14	1.5	13	1.4	14	1.5	1	0.1	0	0.0
Dalton	10	1.0	13	1.3	9	0.9	-4	-0.4	-1	-0.1
Derwent Valley	13	1.4	6	0.6	4	0.4	-2	-0.2	-9	-1.0
Ellen	50	2.6	56	2.9	63	3.3	7	0.4	13	0.7
Ellenborough	102	4.4	92	4.0	118	5.1	26	1.1	16	0.7
Ewanrigg	142	7.1	129	6.5	141	7.1	12	0.6	-1	-0.1
Flimby	45	4.5	52	5.2	46	4.6	-6	-0.6	1	0.1
Harrington	35	1.9	32	1.7	41	2.2	9	0.5	6	0.3
Holme	23	2.4	22	2.3	22	2.3	0	0.0	-1	-0.1
Keswick	48	1.6	29	0.9	66	2.1	37	1.2	18	0.6
Marsh	8	0.8	8	0.8	11	1.1	3	0.3	3	0.3
Moorclose	123	4.4	139	5.0	143	5.1	4	0.1	20	0.7
Moss Bay	157	6.0	181	6.9	208	8.0	27	1.0	51	2.0
Netherhall	84	4.4	91	4.7	91	4.7	0	0.0	7	0.4
St John's	90	2.9	96	3.1	94	3.0	-2	-0.1	4	0.1
St Michael's	148	4.6	159	4.9	188	5.8	29	0.9	40	1.2
Seaton	83	2.8	71	2.4	87	2.9	16	0.5	4	0.1
Silloth	49	2.7	47	2.6	60	3.3	13	0.7	11	0.6
Solway	26	2.6	20	2.0	20	2.0	0	0.0	-6	-0.6
Stainburn	15	1.4	13	1.2	13	1.2	0	0.0	-2	-0.2
Wampool	15	1.5	19	1.9	21	2.1	2	0.2	6	0.6
Warnell	9	0.8	9	0.8	8	0.8	-1	-0.1	-1	-0.1
Waver	12	1.1	26	2.4	17	1.6	-9	-0.8	5	0.5
Wharrels	11	1.2	13	1.4	14	1.5	1	0.1	3	0.3
Wigton	92	2.8	104	3.1	93	2.8	-11	-0.3	1	0.0

BARROW	Jan 09		Jul 09		Jan 10		6-Month Change Jul 09-Jan 10		Annual Change Jan 09-Jan 10	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
Barrow Island	131	7.8	130	7.8	147	8.8	17	1.0	16	1.0
Central	248	7.4	278	8.3	298	8.9	20	0.6	50	1.5
Dalton North	71	1.7	67	1.6	104	2.5	37	0.9	33	0.8
Dalton South	79	2.1	90	2.4	95	2.5	5	0.1	16	0.4
Hawcoat	28	1.0	45	1.7	44	1.6	-1	0.0	16	0.6
Hindpool	156	4.7	190	5.8	220	6.7	30	0.9	64	1.9
Newbarns	86	2.4	98	2.8	82	2.3	-16	-0.5	-4	-0.1
Ormsgill	166	4.4	189	5.1	186	5.0	-3	-0.1	20	0.5
Parkside	67	1.9	75	2.2	82	2.4	7	0.2	15	0.4
Risedale	126	3.7	137	4.0	171	5.0	34	1.0	45	1.3
Roosecote	55	1.5	79	2.1	87	2.3	8	0.2	32	0.9
Walney North	73	2.3	77	2.5	87	2.8	10	0.3	14	0.4
Walney South	66	1.9	83	2.4	81	2.4	-2	-0.1	15	0.4

CARLISLE	Jan 09		Jul 09		Jan 10		6-Month Change Jul 09-Jan 10		Annual Change Jan 09-Jan 10	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
Belah	58	1.6	88	2.5	81	2.3	-7	-0.2	23	0.7
Belle Vue	120	3.5	143	4.2	140	4.1	-3	-0.1	20	0.6
Botcherby	193	5.3	213	5.9	203	5.6	-10	-0.3	10	0.3
Brampton	81	3.2	87	3.5	84	3.3	-3	-0.1	3	0.1
Burgh	14	1.1	21	1.6	20	1.6	-1	-0.1	6	0.5
Castle	193	4.7	211	5.2	244	6.0	33	0.8	51	1.3
Currock	150	3.9	173	4.4	164	4.2	-9	-0.2	14	0.4
Dalston	53	1.5	55	1.5	61	1.7	6	0.2	8	0.2
Denton Holme	154	3.9	166	4.2	148	3.8	-18	-0.5	-6	-0.2
Great Corby & Geltsdale	13	1.0	13	1.0	15	1.2	2	0.2	2	0.2
Harraby	94	2.6	125	3.5	133	3.7	8	0.2	39	1.1
Hayton	11	0.9	30	2.6	22	1.9	-8	-0.7	11	0.9
Irthing	17	1.4	22	1.8	15	1.2	-7	-0.6	-2	-0.2
Longtown & Rockcliffe	67	2.6	65	2.5	67	2.6	2	0.1	0	0.0
Lyne	10	0.8	19	1.5	19	1.5	0	0.0	9	0.7
Morton	115	3.8	133	4.4	125	4.1	-8	-0.3	10	0.3
St Aidans	128	3.2	164	4.1	191	4.8	27	0.7	63	1.6
Stanwix Rural	31	1.2	30	1.1	39	1.5	9	0.3	8	0.3
Stanwix Urban	54	1.6	55	1.6	41	1.2	-14	-0.4	-13	-0.4
Upperby	170	5.4	185	5.9	201	6.4	16	0.5	31	1.0
Wetheral	32	1.2	28	1.1	31	1.2	3	0.1	-1	0.0
Yewdale	68	1.9	77	2.1	69	1.9	-8	-0.2	1	0.0

COPELAND	Jan 09		Jul 09		Jan 10		6-Month Change Jul 09-Jan 10		Annual Change Jan 09-Jan 10	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
Arlecdon	23	2.2	26	2.5	17	1.7	-9	-0.9	-6	-0.6
Beckermet	27	1.6	35	2.0	41	2.4	6	0.3	14	0.8
Bootle	14	1.8	14	1.8	18	2.3	4	0.5	4	0.5
Bransty	50	1.5	55	1.7	52	1.6	-3	-0.1	2	0.1
Cleator Moor North	118	4.5	129	4.9	130	4.9	1	0.0	12	0.5
Cleator Moor South	96	5.9	90	5.5	96	5.9	6	0.4	0	0.0
Distington	105	4.3	107	4.4	128	5.2	21	0.9	23	0.9
Egremont North	121	4.6	92	3.5	117	4.4	25	0.9	-4	-0.2
Egremont South	68	3.0	70	3.1	82	3.6	12	0.5	14	0.6
Ennerdale	8	1.2	14	2.1	13	1.9	-1	-0.1	5	0.7
Frizington	79	4.9	67	4.2	66	4.1	-1	-0.1	-13	-0.8
Gosforth	8	1.0	7	0.8	12	1.4	5	0.6	4	0.5
Harbour	107	4.4	123	5.1	152	6.3	29	1.2	45	1.9
Haverigg	13	1.0	15	1.1	16	1.2	1	0.1	3	0.2
Hensingham	79	3.1	72	2.8	90	3.5	18	0.7	11	0.4
Hillcrest	23	1.4	21	1.3	19	1.2	-2	-0.1	-4	-0.2
Holborn Hill	47	3.1	51	3.3	61	4.0	10	0.7	14	0.9
Kells	46	3.2	45	3.1	48	3.3	3	0.2	2	0.1
Millom Without	9	1.0	14	1.6	8	0.9	-6	-0.7	-1	-0.1
Mirehouse	139	5.1	143	5.3	173	6.4	30	1.1	34	1.3
Moresby	23	2.9	23	2.9	26	3.3	3	0.4	3	0.4
Newtown	75	3.7	72	3.5	95	4.6	23	1.1	20	1.0
St Bees	14	1.3	13	1.2	13	1.2	0	0.0	-1	-0.1
Sandwith	104	6.3	115	7.0	107	6.5	-8	-0.5	3	0.2
Seascale	26	1.6	19	1.2	21	1.3	2	0.1	-5	-0.3

EDEN	Jan 09		Jul 09		Jan 10		6-Month Change Jul 09-Jan 10		Annual Change Jan 09-Jan 10	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
Alston Moor	29	2.3	29	2.3	39	3.0	10	0.8	10	0.8
Appleby (Appleby)	16	2.4	13	2.0	19	2.9	6	0.9	3	0.5
Appleby (Bongate)	20	2.1	23	2.4	20	2.1	-3	-0.3	0	0.0
Askham	7	0.7	4	0.4	12	1.3	8	0.9	5	0.5
Brough	13	1.8	10	1.4	10	1.4	0	0.0	-3	-0.4
Crosby Ravensworth	10	1.1	8	0.9	7	0.8	-1	-0.1	-3	-0.3
Dacre	4	0.5	6	0.7	11	1.4	5	0.6	7	0.9
Eamont	7	0.9	4	0.5	12	1.6	8	1.1	5	0.7
Greystoke	8	1.0	3	0.4	4	0.5	1	0.1	-4	-0.5
Hartside	8	1.2	5	0.7	18	2.6	13	1.9	10	1.4
Hesket	15	0.8	18	1.0	29	1.6	11	0.6	14	0.8
Kirkby Stephen	21	1.5	28	2.0	37	2.6	9	0.6	16	1.1
Kirkby Thore	14	1.5	21	2.2	15	1.6	-6	-0.6	1	0.1
Kirkoswald	4	0.4	5	0.6	11	1.2	6	0.7	7	0.8
Langwathby	4	0.4	8	0.9	9	1.0	1	0.1	5	0.5
Lazonby	6	0.7	8	0.9	10	1.2	2	0.2	4	0.5
Long Marton	10	1.4	5	0.7	6	0.9	1	0.1	-4	-0.6
Morland	3	0.4	4	0.5	11	1.4	7	0.9	8	1.0
Orton with Tebay	8	0.9	10	1.1	10	1.1	0	0.0	2	0.2
Penrith Carleton	10	1.1	10	1.1	13	1.5	3	0.3	3	0.3
Penrith East	25	1.6	25	1.6	38	2.5	13	0.8	13	0.8
Penrith North	35	1.4	40	1.7	58	2.4	18	0.7	23	1.0
Penrith Pategill	20	2.7	19	2.6	28	3.8	9	1.2	8	1.1
Penrith South	17	1.3	22	1.7	28	2.2	6	0.5	11	0.9
Penrith West	42	2.1	43	2.1	65	3.2	22	1.1	23	1.1
Ravenstonedale	5	0.9	4	0.7	7	1.3	3	0.6	2	0.4
Shap	10	1.1	7	0.8	22	2.5	15	1.7	12	1.4
Skelton	#	#	9	1.0	8	0.9	-1	-0.1	#	0.6
Ullswater	5	0.6	4	0.5	6	0.7	2	0.2	1	0.1
Warcop	12	1.5	8	1.0	11	1.4	3	0.4	-1	-0.1

SOUTH LAKELAND	Jan 09		Jul 09		Jan 10		6-Month Change Jul 09-Jan 10		Annual Change Jan 09-Jan 10	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
Arnside & Beetham	15	0.7	21	1.0	22	1.1	1	0.0	7	0.3
Broughton	18	1.4	25	1.9	27	2.1	2	0.2	9	0.7
Burneside	15	1.3	12	1.0	18	1.5	6	0.5	3	0.3
Burton & Holme	16	0.9	21	1.2	15	0.9	-6	-0.3	-1	-0.1
Cartmel	6	0.6	13	1.4	15	1.6	2	0.2	9	0.9
Coniston	7	0.6	6	0.5	15	1.4	9	0.8	8	0.7
Crake Valley	8	0.7	14	1.2	19	1.7	5	0.4	11	1.0
Crooklands	13	0.9	14	1.0	14	1.0	0	0.0	1	0.1
Grange	17	0.9	18	1.0	22	1.2	4	0.2	5	0.3
Hawkshead	4	0.4	#	#	6	0.6	#	0.4	2	0.2
Holker	12	1.2	11	1.1	14	1.4	3	0.3	2	0.2
Kendal Castle	10	1.0	11	1.1	9	0.9	-2	-0.2	-1	-0.1
Kendal Far Cross	25	2.0	26	2.0	25	2.0	-1	-0.1	0	0.0
Kendal Fell	31	2.7	40	3.5	35	3.1	-5	-0.4	4	0.4
Kendal Glebelands	16	1.5	13	1.2	13	1.2	0	0.0	-3	-0.3
Kendal Heron Hill	10	0.9	10	0.9	13	1.1	3	0.3	3	0.3
Kendal Highgate	19	1.8	28	2.7	39	3.7	11	1.0	20	1.9
Kendal Kirkland	39	3.2	37	3.1	40	3.3	3	0.2	1	0.1
Kendal Mintsfeet	17	1.2	18	1.3	27	2.0	9	0.7	10	0.7
Kendal Nether	10	1.0	13	1.3	9	0.9	-4	-0.4	-1	-0.1
Kendal Oxenholme	27	1.9	27	1.9	31	2.1	4	0.3	4	0.3
Kendal Parks	12	0.8	14	1.0	10	0.7	-4	-0.3	-2	-0.1
Kendal Stonecross	8	0.8	10	1.0	12	1.2	2	0.2	4	0.4
Kendal Strickland	22	1.9	15	1.3	21	1.8	6	0.5	-1	-0.1
Kendal Underley	24	1.9	34	2.7	24	1.9	-10	-0.8	0	0.0
Kirkby Lonsdale	14	1.1	10	0.8	8	0.6	-2	-0.2	-6	-0.5
Lakes Ambleside	14	0.6	8	0.3	17	0.7	9	0.4	3	0.1
Lakes Grasmere	3	0.3	#	#	10	1.0	#	0.8	7	0.7
Levens	6	0.7	8	0.9	9	1.0	1	0.1	3	0.3
Low Furness & Swarthmoor	36	1.5	31	1.3	35	1.4	4	0.2	-1	0.0
Lyth Valley	10	0.8	6	0.5	15	1.2	9	0.7	5	0.4
Milnthorpe	22	1.9	10	0.9	22	1.9	12	1.0	0	0.0
Natland	10	0.9	8	0.7	8	0.7	0	0.0	-2	-0.2
Sedbergh	12	0.6	13	0.6	11	0.5	-2	-0.1	-1	0.0
Staveley-in-Cartmel	4	0.4	7	0.7	6	0.6	-1	-0.1	2	0.2
Staveley-in-Westmorland	10	0.9	12	1.0	15	1.3	3	0.3	5	0.4
Ulverston Central	27	2.6	37	3.5	35	3.3	-2	-0.2	8	0.8
Ulverston East	41	3.0	37	2.7	51	3.7	14	1.0	10	0.7
Ulverston North	20	1.8	25	2.2	28	2.5	3	0.3	8	0.7
Ulverston South	13	1.3	15	1.5	18	1.8	3	0.3	5	0.5
Ulverston Town	31	2.9	36	3.4	39	3.7	3	0.3	8	0.8
Ulverston West	13	1.3	19	1.8	14	1.4	-5	-0.5	1	0.1
Whinell	9	0.7	16	1.2	13	0.9	-3	-0.2	4	0.3
Windermere App'waite	14	1.1	14	1.1	25	1.9	11	0.9	11	0.9
Windermere Bowness N	9	0.8	11	0.9	9	0.8	-2	-0.2	0	0.0
Windermere Bowness S	9	0.8	9	0.8	11	1.0	2	0.2	2	0.2
Windermere Town	9	0.6	10	0.7	17	1.2	7	0.5	8	0.6

figures suppressed for disclosure purposes

Source: Office for National Statistics via NOMIS

SECTION 5 NOTIFIED VACANCIES DATA

The statistics given in this section comprise only job vacancies that have been notified to Jobcentre Plus and it should be noted that not all job opportunities are publicised in this way. (Please note that data are now standardised into equal periods.)

Table 5.1 shows the trend in total notified vacancies. It can be seen that the number of vacancies notified in Cumbria remained fairly consistent, peaking in the pre-Christmas period before tailing off in January as one would expect. Over the full 6 months, Carlisle district accounted for the highest number of vacancies (3,582), followed by South Lakeland (2,802). Eden recorded the lowest number vacancies (1,119).

Table 5.1: Total notified vacancy numbers

	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	6 mth Total
Allerdale	321	317	322	268	375	193	1,796
Barrow in Furness	296	208	216	400	337	166	1,623
Carlisle	460	478	828	594	803	419	3,582
Copeland	195	301	227	196	126	74	1,119
Eden	205	204	206	282	131	147	1,175
South Lakeland	524	593	576	442	371	296	2,802
Appleby TTWA	27	40	37	27	18	8	157
Barrow-in-Furness TTWA	347	249	307	449	419	197	1,968
Carlisle TTWA	505	516	843	601	817	432	3,714
Kendal TTWA	282	369	296	277	232	212	1,668
Keswick TTWA	47	34	38	36	58	18	231
Penrith TTWA	172	160	166	250	104	137	989
Whitehaven TTWA	192	300	225	194	122	74	1,107
Windermere TTWA	165	159	165	114	53	50	706
Workington TTWA	238	249	274	231	314	163	1,469
Cumbria	2,001	2,101	2,375	2,181	2,142	1,296	12,096

Source: Office for National Statistics via NOMIS (monthly data standardised onto a 4¹/₃ week basis)

Table 5.2 shows the trend in notified vacancy numbers for Cumbria by sector and shows that the finance/business services and retail/hospitality sectors typically account for the highest number of vacancies, almost three quarters of the total for the period.

Table 5.2: Notified vacancy numbers by Broad Industrial Group

Broad Industrial Group	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	6 mth Total
Agriculture & fishing	8	16	9	4	9	3	49
Energy & water	113	26	16	12	9	6	182
Manufacturing	132	120	82	81	64	53	532
Construction	42	30	65	81	28	27	273
Retail, hotels & restaurants, etc	587	667	706	654	764	291	3,669
Transport & communications	28	43	145	55	29	45	345
Banking, finance, business services	764	823	767	962	899	657	4,872
Public admin, education & health, etc	258	271	283	227	253	183	1,475
Other services	70	103	301	103	87	31	695
TOTALS	2,001	2,101	2,375	2,181	2,142	1,296	12,096

Source: Office for National Statistics via NOMIS (monthly data standardised onto a 4¹/₃ week basis)

Vacancies can also be analysed by occupation to give a useful general indicator of the current skills demands, although it must be noted that some occupational vacancies are more likely to be notified to Jobcentres than others. Trends over the past 6 months are shown in Table 5.3. The clearest pattern is that elementary occupations consistently form the largest portion of notified vacancies across the county. Sales and customer service occupations also account for a sizeable proportion peaking in the pre-Christmas period.

Table 5.3: Trends in notified vacancy numbers by Occupation

Occupation classification	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	6 mth Total
Managers & Senior Officials	97	123	85	128	44	87	564
Professional	52	46	62	34	39	45	278
Associate Professional & Technical	284	173	169	205	203	186	1,220
Administrative & Secretarial	193	166	205	163	118	150	995
Skilled Trades	285	226	218	222	252	135	1,338
Personal Service	153	198	238	190	158	103	1,040
Sales & Customer Service	299	291	429	524	213	160	1,916
Process, Plant & Machine Operatives	108	234	195	172	128	81	918
Elementary Occupations	530	642	775	542	986	348	3,823
TOTALS	2,001	2,101	2,375	2,181	2,142	1,296	12,096

Source: Office for National Statistics via NOMIS (monthly data standardised onto a 4¹/₃ week basis)

Vacancy data may also be examined in conjunction with data on claimant counts to calculate a 'claimant to vacancy ratio' (table 5.4). Although this has limitations, it does highlight areas that appear to have tighter labour markets than others. In January 2010 two districts had ratios of more than 9. Copeland had the highest district ratio at 25.41 claimants per vacancy which was because of a remarkably low number of live vacancies on the day the count was taken. Overall in Cumbria there were 6.90 claimants for each live vacancy which, despite the high ratio in Copeland, is below the GB figure of 8.53.

Table 5.4: Claimant Count / Vacancy ratio Jan 2010

	Live vacancies	JSA Claimant Count	Claimant/vacancy ratio
Allerdale	187	1,903	10.18
Barrow	357	1,684	4.72
Carlisle	301	2,113	7.02
Copeland	63	1,601	25.41
Eden	152	574	3.78
South Lakeland	214	911	4.26
Appleby TTWA	5	148	29.60
Barrow-in-Furness TTWA	384	1,962	5.11
Carlisle TTWA	310	2,276	7.34
Kendal TTWA	143	503	3.52
Keswick TTWA	19	93	4.89
Penrith TTWA	143	383	2.68
Whitehaven TTWA	63	1,520	24.13
Windermere TTWA	42	122	2.90
Workington TTWA	162	1,732	10.69
Cumbria	1,274	8,786	6.90
North West	23,126	205,916	8.90
GB	187,422	1,597,855	8.53

Source: Office for National Statistics via NOMIS

SECTION 6 SUMMARY OF NEW DATA SETS

The New Year period has seen a number of important datasets released by the Office for National Statistics. Chief among these are the Gross Value Added, Annual Business Inquiry Employee Analysis and Inter-Departmental Business Register (IDBR) Enterprises and Units datasets. Key findings from each of these are outlined below and further details can be obtained from Ginny Murphy or Dan Bloomer (contact details at the front of the Bulletin). Briefings are also available on the Cumbria Intelligence Observatory website (www.cumbriaobservatory.org.uk). Unfortunately the time lag in these datasets makes them unsuitable for judging the impact of the recession but nevertheless they do provide a valuable insight into trends prior to the economic downturn.

Gross Value Added

The 2007 Gross Value Added (GVA) data were released by the Office for National Statistics on 9th Dec 2009. The data for Cumbria covers the period to the end of 2007.

GVA represents the incomes generated by economic activity within the UK economy and comprises:

- Compensation of employees (wages and salaries, national insurance contributions, pension contributions, redundancy payments etc).
- Gross operating surplus (self-employment income, gross trading profits of partnerships and corporations, gross trading surplus of public corporations, rental income etc).

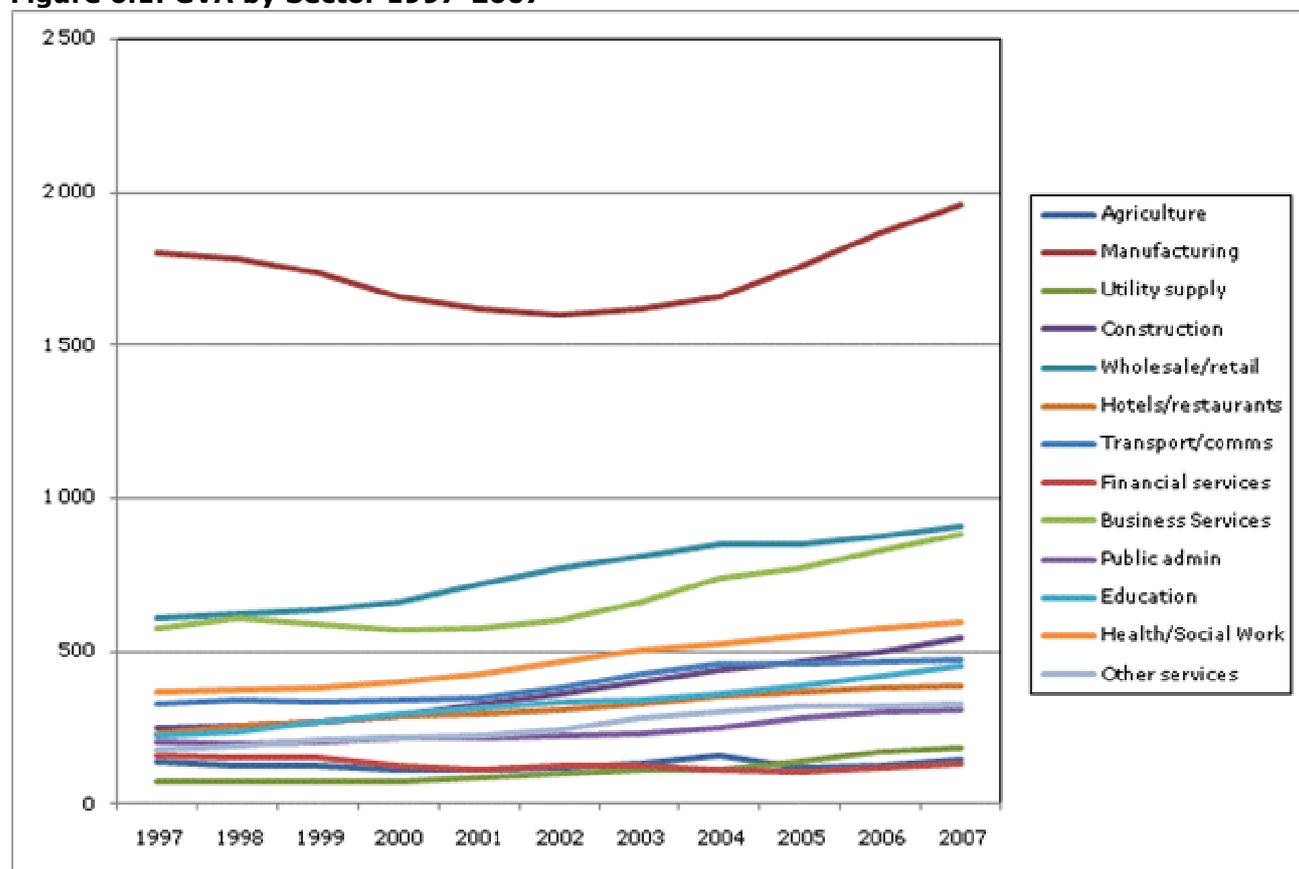
The numbers paint a mixed picture for the county depending on the timescale over which we assess change and the geographical area we focus on. The bullet points below identify the key points of relevance to Cumbria:

- Total GVA for Cumbria in 2007 was £7,379m which is 6% of the NW total and 0.6% of the UK.
- Over the long term (1995-2007) Cumbria was the slowest growing of the 37 county-type areas in the UK, with an overall growth rate of 51.4% compared to 71.2% in the Northwest region and 90.5% for the UK as a whole.
- The growth rate for the county over the past 5 years (2002-2007) is 30.2% which is faster than the region (NW 24.4%) and the same as the UK (30.2%) making Cumbria the 13th fastest growing county type area (out of 37) and the fastest in the NW.
- Since 2006 Cumbria has grown at 5.1% which is faster than the region (NW 4.6%) but a little slower than the UK (UK 5.5%) and is the 19th fastest in the UK (out of 37) and the fastest in the region.
- GVA per head of population in the county now stands at £14,848 compared with £16,967 in the NW and £20,430 in the UK. This is 74% of the UK average (unchanged from 2006).
- There is significant disparity in total GVA between East Cumbria (Carlisle, Eden, South Lakeland) and West Cumbria (Allerdale, Copeland, Barrow). Total GVA in 2007 in East Cumbria was £4,261m and in West Cumbria it was £3,117m.
- Over the long term (1995-2007) total GVA in East Cumbria has grown by 63.8% compared with 37.2% in West Cumbria. East Cumbria's growth rate since 1995 puts it 98th out of 133 sub county areas whilst West Cumbria's is the third slowest at 131st out of 133 sub-county areas.

- In the medium term (2002-2007) the growth rate for East Cumbria is 34.6% compared with 24.5% in West Cumbria making them 30th and 96th respectively (out of 133).
- Over the latest year (2006-2007) the gap in growth rates has narrowed almost completely and East Cumbria's growth rate stands at 5.2% while West Cumbria's is 5.1%. This ranks them as 63rd and 68th respectively out of 133 in the UK (5.5%) and puts both areas ahead of the NW (4.6%).
- GVA per head of population in East Cumbria now stands at £16,374 (82% of the UK average) while for West Cumbria it is £13,171 (66% of the UK average).

For the first time ONS has released estimates of GVA by industrial sector at county level. These show that manufacturing is the largest contributor of GVA to the Cumbrian economy, accounting for 27% in 2007, although this has fallen from 34.7% in 1997. The next two sectors are wholesale/retail and business services, both contributing 12% of GVA in 2007. Figure 6.1 below is really just for illustrative purposes only and shows graphically the importance of manufacturing to the county's economic wellbeing.

Figure 6.1: GVA by Sector 1997-2007



Source: ONS IDBR 2009

Annual Business Inquiry Employees

The Annual Business Inquiry is recommended by ONS as the best source of data on employees in employment. It does have some flaws, chiefly that it does not include the self employed, nor does it include farm-based agriculture employment. However, it remains a consistent data source and a valuable monitor of employment trends over time. Data in this article are rounded to the nearest 100 for disclosure control purposes.

Note: ONS has released the 2008 data using both 2003 and 2007 Standard Industrial Classifications. The new 2007 system is better suited to current industrial structures but historical data have not been re-coded and therefore this briefing uses the consistent 2003 coding.

Recent Key Findings Cumbria & Districts – 2007-2008

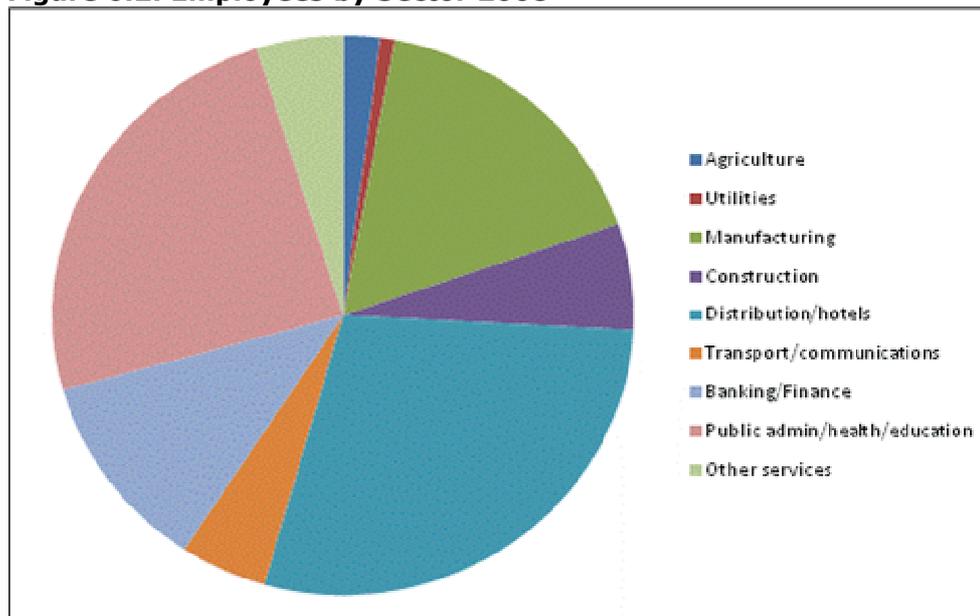
Total employees in employment in Cumbria in 2007 were 214,500. The largest sector in terms of employees in 2008 was wholesale/retail with 37,600 (17.6% of the total, closely followed by manufacturing (36,200; 16.9%).

- Over the short term (2007-2008), employment fell slightly (down by -1.2%; 2,600 employees). This compares with a fall of -1.2% in the North West and growth of +0.3% nationally.
- The sector showing the biggest numerical growth was construction (+1,400 employees) but there were declines in manufacturing (-1,800 employees) and business services (-1,800 employees).
- Sectors with the biggest percentage growth were agriculture (+22.9%) and construction (+12.2%). Those with the biggest percentage fall were utility supply (-23.4% but from a very low base) and other business services (-7.7%).
- Male employment grew by +0.5% in Cumbria, compared to a fall of -2.0% in the North West and -0.2% nationally. Female employment fell by -3.1% compared with a fall of -0.2% regionally and growth of +0.2% nationally.
- Both full time and part time employment fell in Cumbria (-1.0% and -1.8% respectively).
- Total employment grew in Barrow (+600 employees, +2.1%) but fell in all other districts – Allerdale (-500 employees, -1.4%); Carlisle (-700 employees, -1.4%); Copeland (-1,200 employees, -4.2%); Eden (-300 employees, -1.4%) and South Lakeland (-400 employees, -0.7%).
- The county's construction growth was spread around the districts, except Eden where employment in the sector fell. Manufacturing fell by -1,400 employees in Copeland but grew by 400 employees in Barrow.
- Employment in business services fell in Allerdale (-500), Carlisle (-700) and South Lakeland (-500).

Longer-term Key Findings Cumbria & Districts – 2000-2008

- Total employment in Cumbria grew by 14.8% between 2000 and 2008 which is significantly faster than the regional (+6.0%) or national (+5.8%) growth rates. This equates to 27,600 more employees in employment in 2008 than 2000.
- All districts have shown growth over the longer term with Barrow (+24.2%) and Eden (+19.2%) showing the largest percentage increases. Carlisle had the highest numerical increase at 7,100. Growth was slowest in Copeland (+7.4%) but this is still more than the national rate of increase.
- Long term growth has been particularly strong in business services which has gained 7,400 employees followed by hotels/restaurants (+6,500 employees) and health (+4,800 employees).
- Manufacturing (-3,600 employees) and financial intermediation (-1,100 employees) are the only two sectors to show major falls in employment between 2000 and 2008.

Figure 6.2: Employees by Sector 2008



Source: ONS IDBR 2009

Inter-Departmental Business Register 2009

The Inter-Departmental Business Register (IDBR) is a list of UK businesses maintained by the Office for National Statistics (ONS). It provides a sampling frame for surveys of businesses carried out by the ONS and by other government departments and is a key data source for analysis of business activity. The IDBR covers businesses in all parts of the economy but misses some very small businesses operating without VAT or PAYE schemes (self employed and those with low turnover or without employees) and some non-profit organisations. Nevertheless ONS estimates that it represents nearly 99% of economic activity.

The IDBR holds data at two different statistical levels – enterprises and business units. An enterprise is the smallest combination of legal units (generally based on VAT and/or PAYE records) that has a certain degree of autonomy. A local unit is an individual site (for example a factory or shop) in an enterprise. Most data is only available at enterprise level and therefore this briefing is restricted to analysis of enterprises. However, it should be noted that as a result where enterprises in Cumbria have a parent located elsewhere, their data will be allocated to the parent location.

IDBR 2009 shows that there were 22,190 enterprises in Cumbria and 22,860 local units. Just over a quarter of these were in South Lakeland (27.9% enterprises). These enterprises accounted for 160,310 employees and £12,776,898 in turnover. Table 6.1 summarises the data for Cumbria and the six districts.

Table 6.1: IDBR 2009 Cumbria and districts

Table 1: IDBR 2009 Cumbria and districts

	Enterprise Count	Enterprise Employment	Enterprise Turnover	Local Unit Count	Local Unit Employment
Cumbria	22,190	160,310	12,776,898	26,860	227,813
Allerdale	4,225	25,238	2,238,012	5,130	37,667
Barrow	1,770	11,724	780,410	2,295	27,420
Carlisle	4,115	54,723	3,570,444	5,285	55,107
Copeland	2,270	10,512	2,061,925	2,835	30,562
Eden	3,625	20,083	1,367,990	4,115	27,018
South Lakeland	6,185	38,030	2,758,117	7,200	50,039

Source: ONS IDBR 2009

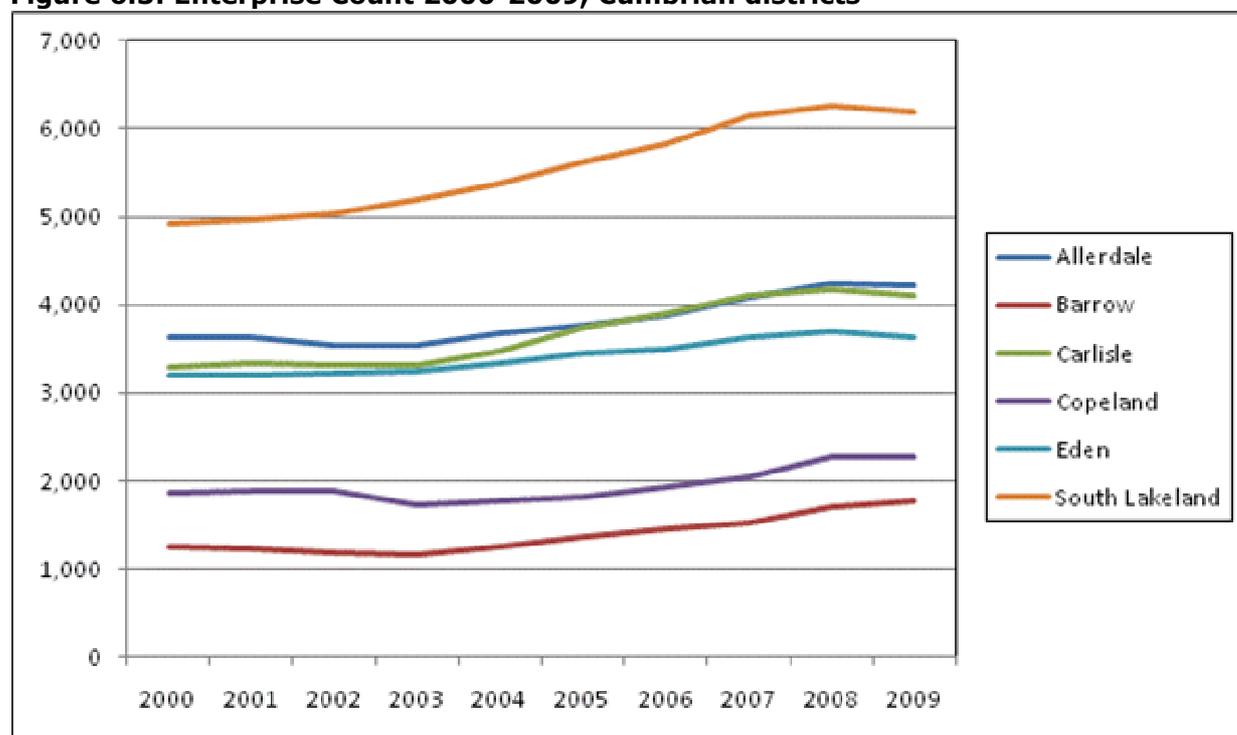
The number of enterprises was 4,045 higher in 2009 compared to 2000, an increase of 22.3% (North West 13.8%, England 13.3%). However, the count fell slightly from 2008 (-185), a decrease in Cumbria of -0.8% which compares to a fall of -0.4% in England and -0.5% in the North West. The number of local units rose by 3,920 between 2000 and 2009 which is an increase of 17.1%. This rise is slightly smaller than the rise in enterprises, perhaps indicating an increasing degree of autonomy within the county.

Enterprise employment rose by 11% from 2000 which is similar to the regional and national trend. Despite the slight fall in enterprises since 2008, employment rose in the year by +2.4% (+1.6% North West, +0.7% England).

Turnover in 2009 was +36.8% higher than in 2000 and it also rose in the short term by +13.7% (+11.7% North West, +0.7% England).

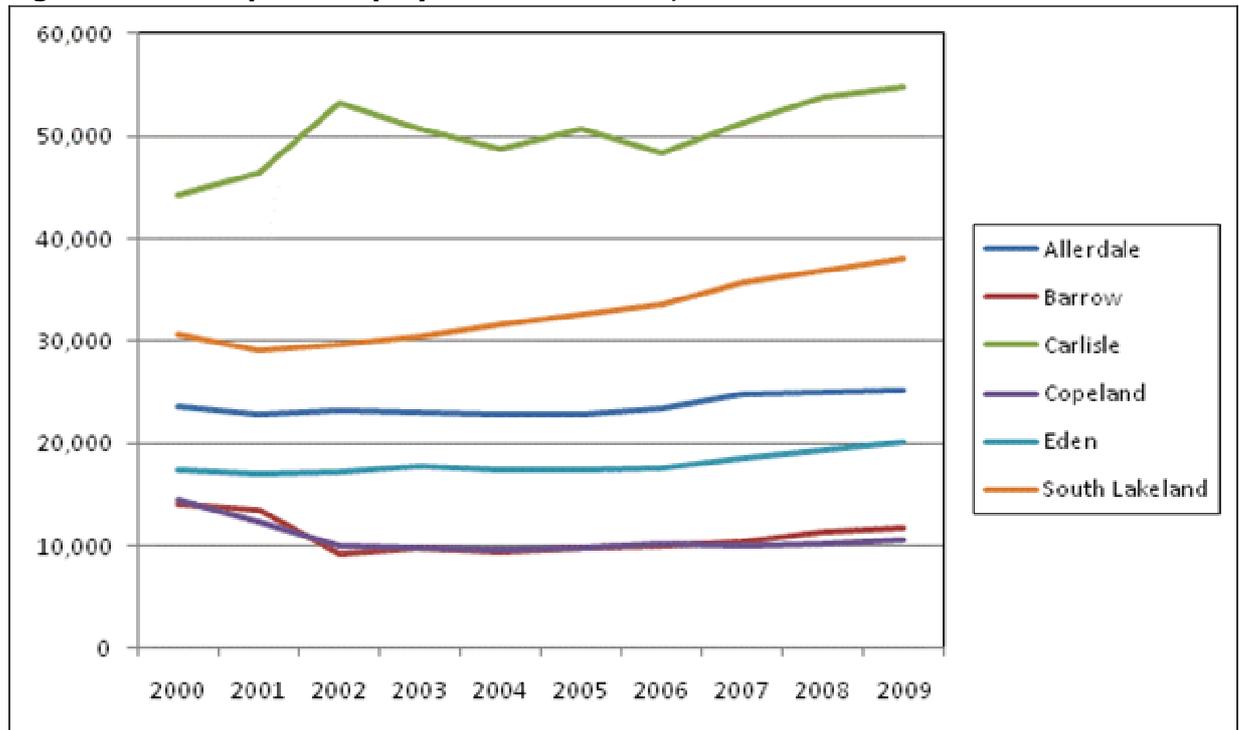
Figures 6.3-6.5 show the trend in the enterprise count, employment and turnover for each district from 2000-2009.

Figure 6.3: Enterprise Count 2000-2009, Cumbrian districts



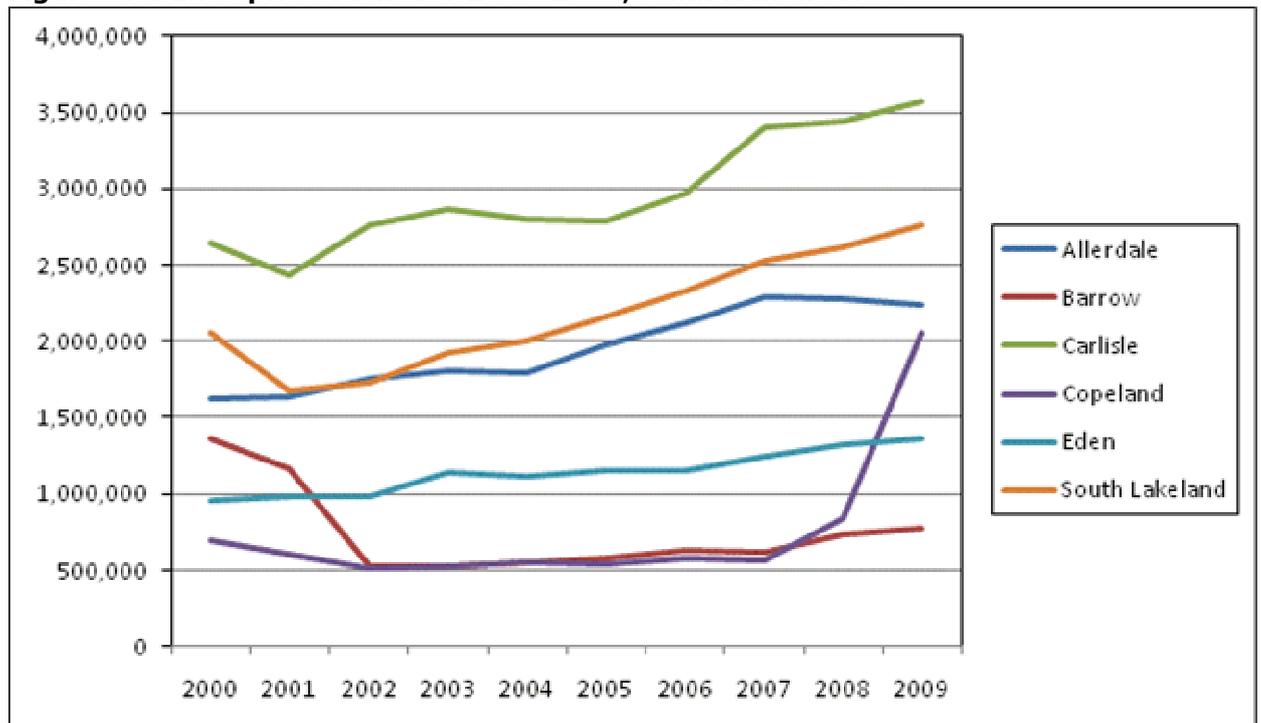
Source: ONS IDBR 2009

Figure 6.4: Enterprise Employment 2000-2009, Cumbrian districts



Source: ONS IDBR 2009

Figure 6.5: Enterprise Turnover 2000-2009, Cumbrian districts



Source: ONS IDBR 2009

IDBR also provides some estimates of enterprises and turnover by industry sector for 2009 only. This shows that agriculture has the highest number of enterprises (4,490), followed by wholesale/retail (3,240) and construction (3,015). Wholesale/retail also provides the highest turnover at £3,027,342 which is almost a quarter (23.9%) of all turnover. Table 6.2 shows the count and proportion of enterprises and turnover in 2009.

Table 6.2: Enterprise Count and Turnover 2009

	Enterprise Count		Enterprise Turnover	
	No	%	£	%
Agriculture, forestry and agriculture	4,490	20.2	686,653	5.4
Mining and quarrying	15	0.1	0	0.0
Manufacturing	1,080	4.9	672,694	5.3
Electricity, gas and air conditioning	5	0.0	0	0.0
Water, sewerage and waste management	55	0.2	44,764	0.4
Construction	3,015	13.6	1,129,588	8.9
Wholesale and retail	3,240	14.6	3,027,342	23.9
Transportation and storage	745	3.4	568,907	4.5
Accommodation and food service	2,005	9.0	678,122	5.4
Information and communication	580	2.6	103,432	0.8
Financial and insurance activities	260	1.2	0	0.0
Real estate activities	570	2.6	184,283	1.5
Professional, scientific and technical activities	2,365	10.7	585,729	4.6
Administrative and support service activities	1,400	6.3	306,353	2.4
Public administration	40	0.2	0	0.0
Education	350	1.6	357,606	2.8
Human health and social work	740	3.3	956,016	7.5
Arts, entertainment and recreation	490	2.2	114,928	0.9
Other services	745	3.4	124,501	1.0
Total	22,190	100.0	12,672,834	100.0

Source: ONS IDBR 2009

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SECTION 7

BUSINESS SURVEY

7.1 Background

Every two to three years the Cumbria Intelligence Observatory surveys local businesses on a range of issues. The following section is a summary of the key findings and issues arising from the autumn 2009 survey.

7.2 The Market

There is a high degree of autonomy locally with the majority of businesses making key decisions at a local level. This is particularly the case within the private sector, but less evident amongst public sector and voluntary/non-profit-making organisations. Whether a business operates from a single site or is part of a larger, multi-site organisation is an obvious and key factor in the extent to which decisions are made based on local factors.

There is a heavy reliance on markets within Cumbria amongst private sector businesses. Around half of these businesses (49%) report all their sales originating locally. Thus it is a necessity to promote a healthy economy at a local level.

Around three-quarters of all businesses (76%) target domestic consumers within Cumbria. Sectors that are more likely than average to be reliant on these customers include construction, wholesale and retail, financial intermediation and health services.

The next most significant group targeted by Cumbria businesses is that of private sector industry (47%), while a third of all businesses (32%) particularly those based within the Lake District National Park rely on tourists as a target market.

Half of all businesses (51%) say they promote the fact that Cumbria is the point of origin for its' products or services.

There has been a significant increase in use of the worldwide web as a marketing and distribution tool in the last two years. More than half of all private sector businesses have a website (58%), compared with just over two-fifths (43%) two years ago.

More than half of all businesses (55%) use the internet for business purchases while just over a third of private sector businesses (35%) take customer orders via the internet. This increases to nearly two-thirds of businesses (63%) who target tourists.

Respondents are much more likely to feel able to provide their views on broadband speeds now than they were two years ago. Some one in five (19%), however, express a need for higher speed broadband and there would seem to be some connectivity issues in West Cumbria and other rural areas. Satisfaction with broadband provision is determined by both location and industry requirements. Those businesses demanding more of it are less likely to be satisfied.

7.3 The Business Environment

Echoing the reliance on local markets, the majority of businesses make their purchases locally. On average, more than half of purchases (56%) are made locally. This further underlines the need for a strong local economy.

In terms of recent trends in business indicators, staff costs are particularly likely to have increased. This is despite the fact that few respondents report increases in the numbers of staff employed, suggesting that staff costs have increased due to the need to pay staff more to recruit/retain them or that they have been pushed up by redundancy payments.

With the exception of these areas and prices charged to customers (where increases are highlighted by more than a quarter of businesses), respondents are more likely to report a reduction rather than an increase. This suggests that the last twelve months has been a difficult time for local business as a whole; with orders, output, profit margins and cash flow all more likely to decrease than increase during this time. Orders and output have been particularly detrimentally affected by economic conditions within manufacturing and construction, while half of construction firms report a decline in profit margins and cash flow. This is very probably the result of the financing issues in the housing market and restrictions on lending to both individuals and businesses following the banking crisis.

The outlook for the next twelve months is more positive, with businesses more likely to anticipate increases in orders, employment, output, prices, profit margins and cash flow than to anticipate decreases in these areas. Staff costs are once again set to increase within a third of private sector businesses with employees.

In terms of other business costs, past, present and future, the greatest concerns are with regard to energy, transport and raw materials and bought in services. Energy, however stands out above these and an increase in this area is particularly likely to have been experienced and to be anticipated in accommodation and food services and manufacturing.

Transport costs are of particular concern to respondents in Allerdale and to businesses based in other rural areas.

Around half of all businesses anticipated that levels of investment in a number of areas will remain at similar levels. Where change is expected, it is more likely to be in terms of increase than decrease. The most significant areas of investment are with regard to marketing and business development.

Overall, the last twelve months is more likely to have seen increasing than decreasing investment and the picture going forward is similar.

Pressure on prices is a particularly significant area in which the unique economic conditions of the last twelve months have affected businesses. Two-fifths of businesses report greater price competition and/or pressure from customers to reduce prices.

Parking, the road network and traffic congestion are areas that represent significant barriers to business performance and efficiency in the local area, as perceived by respondents. These are particularly issues in urban areas. Wider transport issues, including bus, rail and air, are significantly more likely to be cited as problem areas by businesses reliant on visitors to the area, such as accommodation and food services establishments. Since 2007, the only change in this respect is with regard to the increased scale of the extent to which road transport issues are a concern.

Just a minority of businesses identify the high cost of accommodation as an issue, but it is likely to be a significant issue for this minority.

In terms of business accommodation, only a very small proportion of businesses feel their current site and premises is a barrier to business performance and efficiency. Around a quarter of all businesses, however, feel they could be better.

The most frequently cited economic barrier to business performance and efficiency is that of government legislation and red tape. These wider issues vary in significance by sector, with production sectors (that are more likely to be involved in exporting or to be competing with imports) significantly more likely to be concerned about the strength of the pound. Given its' lack of strength at the moment, that is more likely to affect UK businesses in terms of competing with cheap imports and making it more difficult for them to compete internationally.

The majority of businesses plan to increase sales and/or productivity significantly in the next five years, with more than half of all businesses planning to reduce the business' cost base. It is positive that more than a third of Cumbria-based businesses with employees plan to increase employment significantly in the next five years. The issue for these businesses will be obtaining the right people with the right skills from the local labour market.

7.4 Human Resources

One in seven businesses with employees (15%) report skills gaps. The incidence of skills gaps is slightly lower than it was in 2007 (17% of employers with 3+ employees, compared with 21% in 2007).

Skills gaps are more prevalent than average in manufacturing, business/technical services and in larger firms.

The two key areas in which skill gaps are reported are associate, professional and technical occupations and skilled trade occupations. Both of these areas are characterised by specific, technical, job-related skills that vary widely across industry sectors.

Supporting this, by far the most frequently reported skills area in which gaps are reported is that of technical and practical skills or skills that are specialist to a given sector.

Compared with a year ago, 11% of businesses have increased employment at their site, but a similar proportion (10%) has reported a decrease.

Three in ten businesses (30%) have sought to recruit new staff members in the last twelve months. The figure of 28% amongst private and voluntary/non-profit-making organisations this year compares with a higher proportion in 2007 (37%).

A quarter of those having sought to recruit (25%) have experienced recruitment difficulties. Again, this figure is lower than in 2007 (40%). These recruitment difficulties tend to have been evenly distributed across occupations but are concentrated in intermediate level occupations.

A third of those experiencing recruitment difficulties cite a lack of applicants with the required skills and this features more strongly as a reason in 2009 than it did in 2007. Again, it is technical and practical skills or skills that are specialist to a given sector that are most likely to be cited as skills that are hard to find.

One in eight businesses with employees (13%) report forthcoming retirements, this increases to two in three of the largest employers (66% of employers with 100+ employees). Around a quarter of businesses expecting imminent retirements anticipate leaving the vacancy unfilled.

Just 4% of businesses report using migrant workers at all. This is a slightly lower proportion than in 2007 (6%). In terms of reasons for using migrant workers, 'pull' factors, such as migrant workers offering better quality skills and performance and having better attitudes to work are more likely to be cited than 'push' factors such as lack of availability of skills and labour locally.

There has been an increase in the propensity for firms to offer staff benefits and incentives in the last two years. Flexible working hours remains the most frequently offered benefit.

7.5 Training

Just over two-fifths of all businesses with employees (42%) have funded or arranged off-the-job training in the last twelve months. The proportion that have funded or arranged on-the-job training is slightly higher (50%).

The propensity to fund or arrange training increases with business size and is higher in the public sector, particularly within education and health services. The training funded or arranged is most likely to be to do with health and safety and job-specific skills.

Nearly three-quarters of those providing training (73%) have used an external training provider, most likely to be a private training provider rather than an FE college. In terms of selecting a training provider, the provider's specialist knowledge is of greatest importance, with cost, proximity and convenience/flexibility also of some significance.

Lack of suitable training provision locally is the most frequently mentioned constraint to providing training, with affording cost and time also key.

Despite overall training levels being just under three-fifths of businesses with employees (i.e. 58%), three-quarters of all employers (76%) anticipate the provision of at least some staff training in the next 12 months. This suggests that some businesses with little recent experience in training will be looking to undertake some and, therefore, may need some guidance in this respect.

A quarter of all businesses with employees (24%) have a budget for training expenditure and this is more likely in non-private sector organisations and in larger businesses.

SECTION 8 FLOOD IMPACT ASSESSMENT

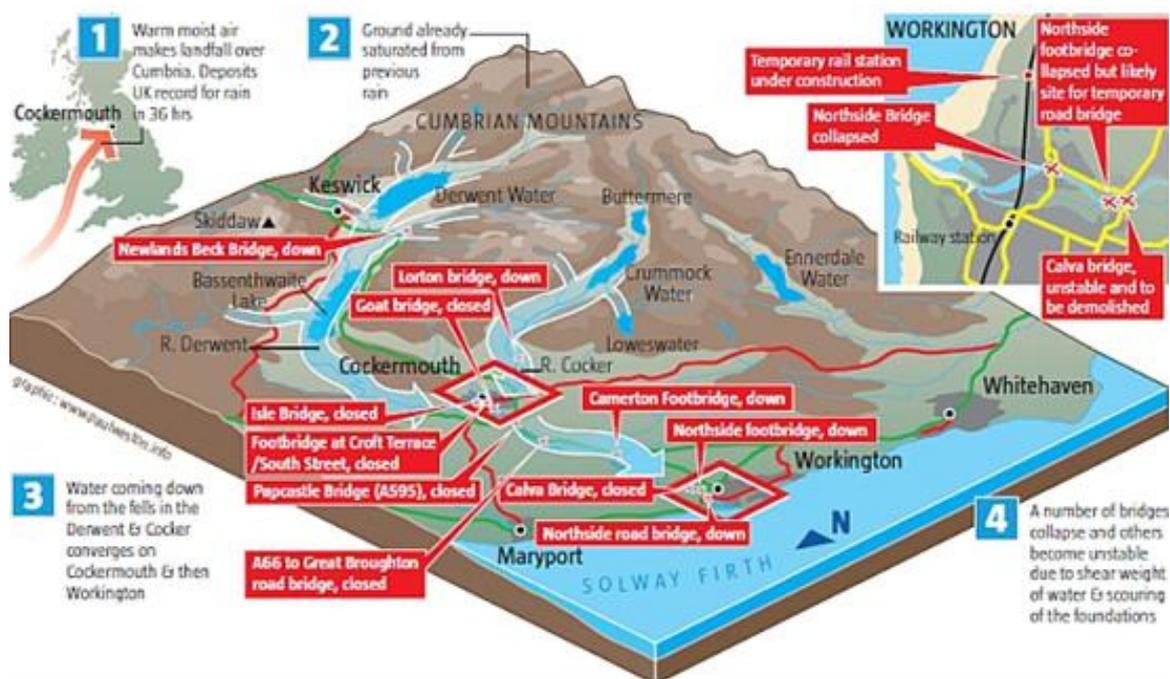
In November 2009 Cumbria experienced an unprecedented level of rainfall which led to widespread flooding. The flooding caused significant problems for the county's people and its infrastructure. This chapter concentrates on summarising the initial impact of the flooding on Cumbria's economy.

8.1 - Overview & meteorological circumstances

Between Wednesday 18th November and Friday 20th November up to 372mm of rain fell over Cumbria. In the 24 hours ending 00:45 on Friday 20th 314mm of rain fell in Seathwaite. This is a record daily rainfall for the UK. Rain earlier in the week ensured that the ground was already saturated in many areas. Flooding occurred in 5 of Cumbria's 6 district areas, the only one escaping being Barrow. The effect on properties was concentrated in Allerdale and South Lakeland with most significant infrastructure damage occurring in the former district. Figure 8.1 below outlines the causes and effects of the heavy rainfall in Allerdale.

Figure 8.1. Cause and effect of floods in North West Cumbria

ANATOMY OF WEEKEND FLOODS



Source: *New Civil Engineer* (26th November 2009)

Around 2,200 properties were flooded across the county and of these around 450 were commercial properties.

8.2 Impacts on the economy and businesses

The floods had an impact across many areas of Cumbria's economy. The hugely important tourist sector was badly affected in the immediate aftermath as many prospective visitors were deterred from coming to Cumbria, under the impression that

the entire county was inaccessible. Considerable numbers of bookings over the Christmas period were lost at an estimated cost of £2.5m to tourism businesses. A survey by Cumbria Tourism suggested that 72% of tourist businesses across the county had suffered some negative impact because of the floods, and 6% of tourist business closed down completely. The survey showed that 41% of businesses suffered cancellations and around a fifth believed bookings and enquiries were down on previous years. The cancellations following the floods were compounded by the snow and ice over subsequent months with 78% of business saying that the sustained cold weather had a negative affect on business. Ten tourism businesses each reported damage in excess of £100,000 following the floods. These were concentrated in Cockermouth and Workington and areas surrounding Windermere. Between them these businesses suffered almost £12m worth of damage. In addition a number of culturally important tourist attractions – such as Wordsworth’s house in Cockermouth, owned by the National Trust, have suffered extensive damage.

In South Lakeland a number of businesses were badly damaged including a National Trust Information Centre and businesses around the shores of Lake Windermere. The support organisation Business Link estimated that 3,057 businesses in Allerdale were affected directly or indirectly by the floods - 1,606 in Workington, 693 in Cockermouth and 758 in Keswick. In Cockermouth 80% of the retail and manufacturing infrastructure in the town centre was disrupted - though traders have been quick to re-establish themselves in temporary premises elsewhere in the town. Major employers in the town including the Jennings Brewery and James Walker were severely affected and interruption of supply has had consequences for customer confidence

Whilst businesses in Workington were not directly affected by flooding they were very badly affected as shopping has been deferred or diverted because of the loss of transport infrastructure. In the immediate aftermath of the floods the Dunmail Park retail centre reported a 90% loss in revenue whilst the local Debenhams store estimated an 80% reduction in footfall.

In addition the loss of the bridges cut the direct route from the port of Workington and surrounding industrial areas to the A66 adding substantial economic costs to industry. Increased travel to work times for staff has also had a significant impact for employers leading to business disruption and lost productivity. Cumbria County Council estimated the additional costs to business because of increased travel time to be in the region of £2m per week.

SECTION 9 MICRO BREWERIES

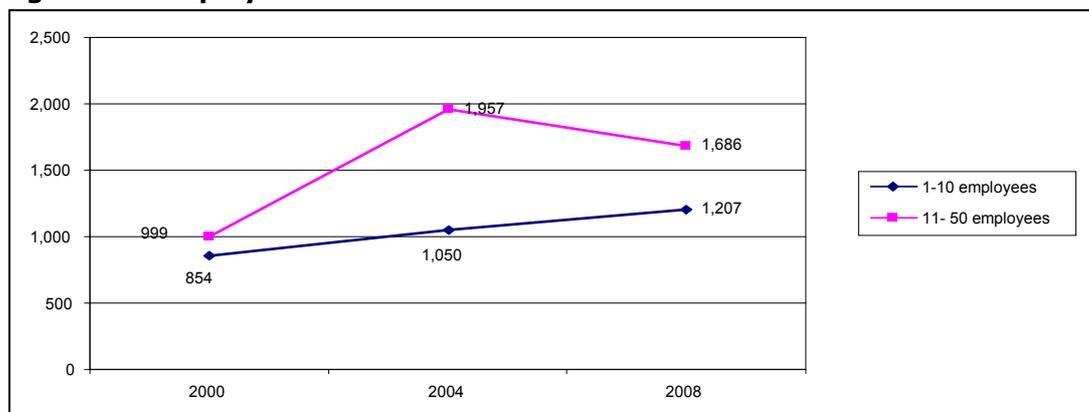
This section reports an overview of the increased numbers of small and micro-breweries in Cumbria.

The distinction between breweries and micro-breweries is not clearly defined, according to Weller and Neive De Figueireido (2001), microbreweries are 'defined as breweries that produce less than 15,000 barrels per annum', another classification follows the number of employees working in the business, classifying as microbreweries those businesses employing less than ten employees.

In the past ten years, the number of microbreweries in the UK has increased significantly. These businesses are also experiencing a high growth in the volume of sales. The Society of Independence Breweries (SIBA), a British association which groups more than 400 micro-breweries, has calculated annual retail sales for its members equal to £320m in 2008, with an average growth of 10% on year basis between 2005 and 2008. The sector is also a significant source of employment. Data reported in Figure 9.1 shows the growth of employees with regard to micro (1-10 employees) and small (11-50 employees) breweries. Micro-breweries have registered a constant growth in the past ten years, while there has been a decrease in employment for bigger employers.

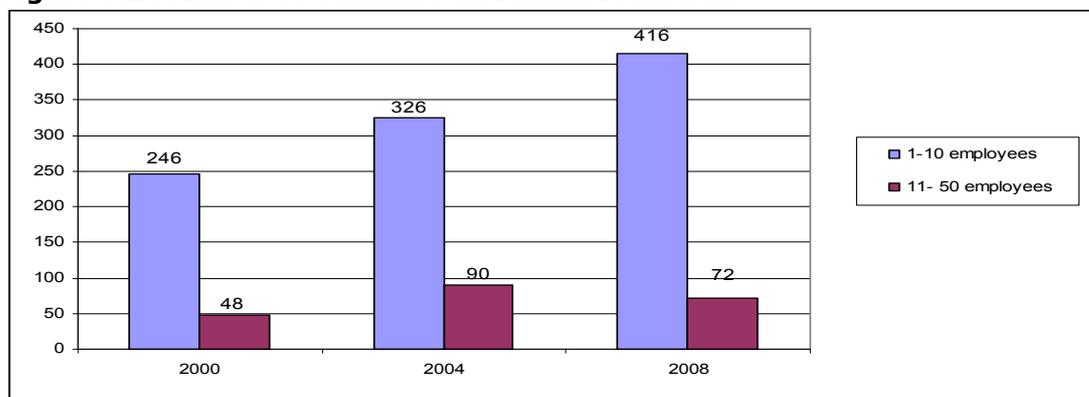
The same trend is recognisable by analysing the number of businesses classified as breweries and shown in Figure 9.2: micro-breweries have almost double their number since 2000. Conversely, after of period of growth, small breweries registered a slight decline in number from 2004 to 2008.

Figure 9.1 Employment in UK micro and small breweries



Source: NOMIS 2008

Figure 9.2 Number of UK micro and small breweries



Source: NOMIS 2008

In Cumbria, there are 27 businesses which are classified as manufacturer of beer (SIC Code 15.96). Figure 9.3 reports their spatial location within the county. In 2008, Cumbrian micro and small breweries employed 218 employees, of which 159 were full-time. Figure 9.4 shows the increase in employment occurring in the sector in Cumbria in the past ten years, and compares figures with data from neighbouring counties. The number of breweries' employees in Cumbria has literally exploded, passing from 58 to 218 workers (+376%). A similar trend is shown in Northumberland, with an exponential increment between 2005 and 2008. On the other hand, employment figures in County Durham and Lancashire indicate a decrease occurred in the most recent years.

Many of the breweries in Cumbria are independent small businesses, and a number of these have less than five years of activity. In 2007, a bottling factory opened in Cockermouth. This event has definitely had a positive impact on the brewery sector in Cumbria, as the factory serves and assists many local breweries with regard to the bottling and packaging of their products.

Among the breweries, Hesketh Newmarket Brewery, in Hesketh Newmarket, deserves to be mentioned for its particular situation. Since 1999, the brewery has been run by a community enterprise formed by a co-operative of villagers and a number of non-local ale enthusiasts. Brewery stakeholders are allowed to own only one share each. This system maintains the brewery under a communitarian management, and represents an incentive for community participation and social networking.

Figure 9.3 Location of micro and small breweries in Cumbria

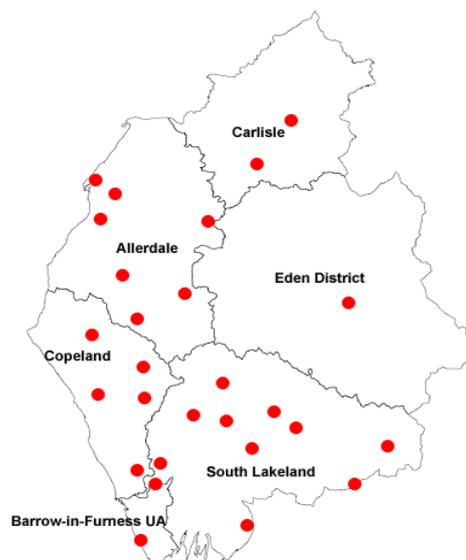
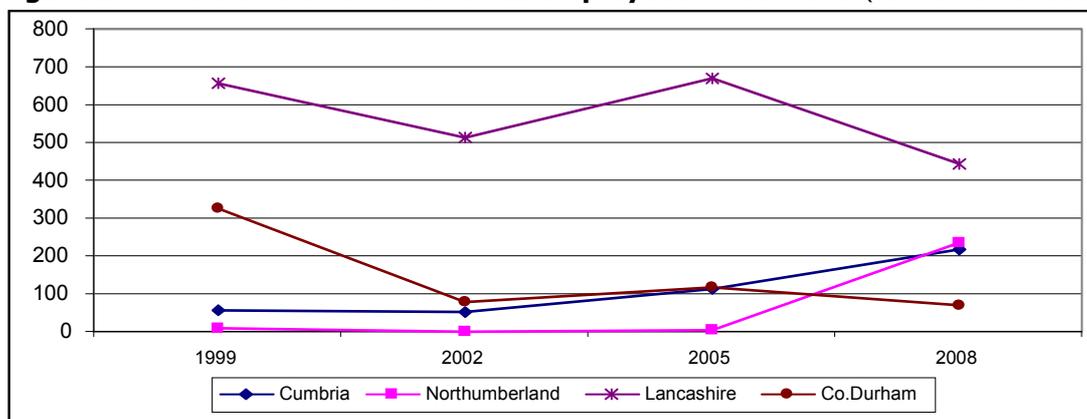


Figure 9.4 Micro and small breweries employees in Cumbria (source NOMIS 2008)



SECTION 10 TRANSFORMATIONAL PROJECTS

This section contains information collated by Cumbria Vision which outlines current progress with key transformational projects in Cumbria by the geographical delivery areas of Barrow, Carlisle, Eden & South Lakeland and West Cumbria. The information has been provided by the Programme Director for each of the four delivery areas.

Barrow

Barrow Marina Village

Barrow Regeneration (BR) has continued to assemble responses for the Marina Village Economic Appraisal queries raised by Regeneris. To assist in the process BR has appointed Amion to respond on specific issues regarding evidencing housing demand; their in-depth knowledge on these issues is expected to strengthen the case for the appraisal and the ultimate 'green book' review; their work is expected to be completed mid March. This has extended the overall appraisal process to end of March 2010.

Barrow Borough Council (BBC) has successfully acquired another piece of land for the Marina Village site. This completes the land acquisition for which funding has been approved to date by NWDA, and has been made within the forecasted timescale and financial limit. The purchase is expected to be defrayed in this financial year (2009/10) and leaves the balance of land to be purchased at approximately 10% of total area. Future purchases will depend on the successful economic appraisal of the Marina Village project overall. BR in conjunction with Cumbria County Council has continued on the option Agreements with Associated British Ports (ABP) and Boughton Estates for the lease and purchase of land necessary to construct the Marina Access (canal). Current progress, although disappointing, is currently not expected to delay the Marina Village Project.

A Harbour Revision Order (HRO) has been formally lodged with the Secretary of State for Transport by the Parliamentary Advisor on 2 February 2010 - this following a successful consultation period. BR (through ABP as applicant) is now awaiting comment / queries and will respond as necessary. In parallel to the HRO, Barrow Borough Council has been successful in progressing the Area Action Plan through the pre-hearing. The full hearing sessions were arranged with the Inspector for 2 weeks commencing 23 February 2010.

The Waterfront

The fully serviced plots on the first phase of Waterfront Business Park are awaiting final connection of utilities. There has been an unavoidable delay pending clarification of legal ownership of the underground infrastructure, following the sub-contractor, Intoto, going into administration. This has now been resolved, and the work will be completed shortly by a new multi-national contracting company, within the budget allocation for the project.

Marketing of the site is continuing, with significant interest being shown, despite the current economic climate. On-going discussions are taking place with interested companies, and other local speculative developers. Barrow Borough Council is still interested in taking forward the first development on site.

Work is continuing on The Access Road and Key Infrastructure (ARKI) project, with only landscaping and final connection of street lighting to complete. It is anticipated that this will be completed by 10th March. The formal opening is scheduled for 12:00 p.m. on Friday 19th March, attended by Rt Hon John Hutton MP. A low-key event is planned, and invitations will be sent out within the next two weeks, including a blanket invitation to local residents.

Finally, Cumbria County Council has just completed the first phase of the perimeter walkway around Cavendish Dock with Land Reclamation funding. The design, including suspended giant-sized umbrella shelters in steel and carved stone 'creels' or fishing baskets to be used as picnic tables, is superb. The area has already become a popular amenity with walkers and cyclists.

Barrow Town Centre

Works continue on phases 2 and 3 of the £4.2m Dalton Road improvements and, despite some recent exceptionally cold weather, the project has maintained sufficient process to keep defrayed expenditure to reasonable levels against the forecasted figures. Workmanship is reported to be good with only a limited number of retailers appearing not happy with the works in progress.

The application for £250K of funding improvements to the Mall shopping area has been approved unanimously by the Barrow Regeneration Board recently through the written procedure. A grant offer of funding has now been issued to the applicant – Barrow Borough Council. A limited amount of expenditure is expected this financial year.

The final section of the Link Road will be completed in March which will mean that the road infrastructure will be in place to deal with the additional traffic from the Waterfront and Marina Village once they are fully delivered.

Enterprise and Skills

The Furness Peninsula Enterprise Fund has created over 150 jobs so far this year by assisting existing businesses to expand and recruit. However, because of the recession, take-up has been less than forecast. As we come out of recession, greater demands on the Fund are expected for next year. The resource will also be used to provide vocational training for unemployed people, including the 230 who are currently threatened with redundancy at BAE Systems.

The efficacy of investment through Furness Enterprise in enterprise and skills is borne out in the recently published *NW Index of Economic Resilience* research by Ekosgen. Barrow-in-Furness was named as Top Improver in both Economic Dynamism and Enterprise and second Overall Improver in the region. Furthermore, Barrow Borough Council was recently awarded a 'green flag' by the Audit Commission for its work in tackling worklessness.

Talented Minds

The Youth Re-action Team / Regeneration in Schools programme is designed to work with young people in schools and colleges to help create the New Barrow that will persuade more of them to stay and also attract more of them to come to or return to the town. Regeneration has been mainstreamed in the curricula of the Furness Academy and Barrow's other secondary schools. Since the first baseline study (2002) there has been a 14% increase in the number of 15-29 year olds in Barrow, compared with a 7% increase for Cumbria as a whole. The Governors of Furness College have formally approved the letting of a £40m contract for the rebuilding of the college and work started in November 2009, with completion scheduled for April/May 2013.

Festivals and other events that are being supported under this programme include: *Lakes Alive*, a Cumbria wide programme which is the county's high profile contribution to the build-up and legacy to the 2012 London Olympic Games; the regional heats of the national *Kite surfing* competition that will take place in Barrow next year and the *Love Barrow* awards next month.

A small grant has been provided to Signal Films and other creative/arts companies that will be based in the Cookes Building, Abbey Road, which is being converted by Barrow BC into a centre for creative industries.

Carlisle

Carlisle Airport

Plans are under way to start the development phase for the new distribution centre in line with the existing planning permission over the next few weeks. The Stobart Group have been actively recruiting for a number of project managers to bring the project forward. Completion of the new distribution centre is now expected in October 2010 along with the highways improvements to access the site.

Allied to this, the existing runway will be resurfaced to remove the current weight restrictions and this will pave the way for commercial traffic to begin utilising the airport again. Cumbria Vision, have, with partners, commissioned consultants to produce a master plan for the remaining employment land at the airport; this work will conclude in April.

Caldew Riverside

Following discussions with the North West Development Agency (NWDA) a new report is being prepared which will set out a revised rationale for investment in site remediation, taking account of the recent decisions by the University of Cumbria and the City Council. The report will set out potential development scenarios including the mix of uses and the route to delivery (remediation and development).

The original rationale for prioritisation of Caldew Riverside was to facilitate improvements to the higher education offer in Carlisle and, in doing so, to provide facilities of direct benefit to the wider community. Whilst the *raison d'être* for the development of Caldew Riverside has changed the Carlisle Renaissance Board will need to consider how it wants to support the University of Cumbria going forward.

Historic Quarter

English Heritage is to prepare a prospectus to seek interested parties to develop/operate some of the buildings in the outer ward of Carlisle Castle for a mix of uses. It continues to map services and utilities to assist this process and to help in delivering major events such as Theatre Titanic in July. Concept design proposals to open up the keep roof, outer walls and magazine for visitors will also be completed soon. In addition, a preferred design for the Old Town Hall has emerged and this will form the basis of a funding application to the NWDA in April. The NWDA has also been moving forward with the appraisal process for the European funding required to deliver the full Roman Gateway scheme, which effectively doubles the funding package up to £2.35m. Enabling works to the galleries at Tullie House have already commenced.

Work will start shortly on a Conservation Management Plan for Citadel Station which will enable partners to explore potential development opportunities within and surrounding the station. This could include commercial uses within the station (i.e. retail or food and drink uses on the ground floor station frontage); new uses for other redundant and underused accommodation within the station (i.e. space for arts); improving signage and interpretation focused on railway heritage and the City's broader visitor offer; and the opportunity for a second entrance with car parking facilities and complementary development to the rear of the station. Alongside this, development plans for the design and funding package of the Court Square public realm scheme will go to the County Council's Carlisle Local Committee and Cabinet for approval in March before being submitted for funding to the NWDA.

Having secured the necessary traffic regulations order from the County Council Carlisle Local Committee on 25th January, detailed scheme design and project planning for Castle Street is underway with work scheduled to commence in May for 4-5 months.

Carlisle City Centre

The City Centre Partnership Steering Group met on 12th February and the main item on the agenda was the ongoing work to develop the partnership model and work plan for the city centre. The preferred model emerging is of a Stakeholder Group to address strategic issues and a Management Company focused on tactical delivery within the central retail core. The former would engage on planning and infrastructure issues (i.e. input in City Centre Area Action Plan) whilst the latter would operate to a business plan covering environment (maintenance, cleaning, etc...), marketing (joint initiatives, sponsorship, etc...) and safety (CCTV, retail watch, etc...) and if appropriate lead on the establishment of a Business Improvement District. The final report from this work will be available in mid April. The Steering Group also considered a report on the status of key vacant sites and premises in the City Centre and the need to further understand the issues associated with them, particularly in relation to Botchergate.

A strategic overview of transport in the city centre, including parking, will be considered by the County Council Carlisle Local Committee at its meeting in March/April and will then be available for consultation.

M6 Corridor

An employment land review is being undertaken by DTZ & Walton Goodland which will principally look into the potential for employment sites adjacent to the M6. Most recently this work has included a business survey and labour demand forecasting. A strategy for the provision of an adequate and spatially balanced portfolio of employment land along the corridor will be considered by the steering group at its March meeting and the final report will be ready for wider consideration by the end of that month.

Culture

Carlisle has failed to make the shortlist for UK City of Culture 2013 however the bid leadership group met recently and agreed the need to continue with the plan set out in the bid in the event of such a decision. The group will meet again in a few weeks to discuss this further, together with representatives from the Arts Council NW, NWDA and others who supported our bid. Despite the disappointment, Carlisle Renaissance have nevertheless launched the Cultural Events Guide for 2010 as a taste of things to come. The key is to maintain the momentum and, alongside investment in major events in 2010, Carlisle Renaissance will continue to invest on a small scale in a range of cultural engagement and related activities (e.g. Love Carlisle).

Eden and South Lakeland

K Village – The Lakes Outlet Centre, Kendal

Construction commenced in early 2008 on a £100 million development of a 31 unit premium retail outlet centre with restaurants, cafés, 500 underground car parking spaces, heritage centre, 20,000 sq ft of office floor space and 90 apartments. Kendal Riverside Ltd, the company behind the project recently announced that the Centre will open on 25 June 2010. They also announced that 70% of the retail floorspace had been pre let to retailers such as Clarks, National Trust, Mountain Warehouse, Jaeger and Costa Coffee. On completion they anticipate creating 500 new jobs with approximately 2.5 million people visiting the outlet centre every year.

New Squares, Penrith

The construction of this new £77 million retail development was suspended in October 2008 as a result of National Australia Bank withdrawing funding. The New Squares development is currently on hold as Eden District Council continues negotiations to revitalise the scheme. In December 2009 Eden DC rejected a rescue package put forward by Sainsbury's because of the threat of a legal challenge to a proposal for a larger supermarket than that granted planning permission under the original scheme.

Under the terms of a "step in" agreement the National Australia Bank had three months in which to indicate whether it was still interested in pursuing the original scheme. That period concluded on 10 February 2010 without the Bank expressing any interest. Sainsbury's has now been formally invited to "step in" to the scheme and it has until 10 March to exercise that right. If it chooses not to do so, then Eden DC lawyers will go to court to seek forfeiture of the lease of the site from the administrators of Lowther Mannelli Properties, in which case the land would revert to the council and a new scheme will then need to be progressed.

Canal Head, Kendal

The comprehensive restoration of Canal Head has the potential to bring about substantial economic, social and environmental improvement to Kendal. A mixed development scheme is envisaged on the 8 hectare site which could cost around £100 million and consist of large format retailing, office development, light industrial/manufacturing as well as residential development and incorporating significant public realm improvements and strong pedestrian links with Kendal town centre. South Lakeland District Council is currently preparing an Area Action Plan for Canal Head which will form part of the emerging Local Development Framework for South Lakeland which will set out the statutory planning policy for the area. This is likely to be published in late 2010.

Meanwhile, a private sector proposal for a £100 million comprehensive redevelopment of the whole Canal Head area was announced in August 2009 and the public and private sector are currently working out the details as to how to bring the scheme to fruition.

Kendal College

Kendal College's Phase One redevelopment cost £12.9m and was completed in May 2009. This scheme included a new reception block at its main Milnthorpe Road site a 250 seat restaurant and kitchens along with a new heritage construction block.

Kendal College's Phase Two redevelopment includes a new Creative and Performing Arts campus, which will incorporate a refurbishment of the current facilities in the Allan Building; the upgrading of facilities at Kendal Museum; the incorporation of the 14th century Castle Dairy as a gallery space and café; a new multi-purpose space for students in the performing arts, dance and music and facilities for sound, lighting and recording with workshops, changing facilities, toilets and reception. In December 2009 the NWDA awarded £1 million to purchase the land required to build the new centre, and in January 2010 South Lakeland District Council granted planning permission. Construction work will commence in early March on building the new £2.2 million centre which will open in October 2010. It is hoped that the next phase of the College's development – costing about £3 million and seeing warehouses in Wildman Street demolished and replaced by new buildings – will follow if extra funding can be secured.

Lowther Castle and Gardens

In November 2008, the Lowther Castle and Gardens Trust secured a £9 million NWDA/ERDF funding package for the Lowther Castle and Gardens development scheme which will begin with the conservation of the Castle and the restoration of the Gardens opening up the site to visitors. Award winning architects Feilden Clegg Bradley have been appointed to design the project. Negotiations have taken rather longer than expected but, as Geoff Rich from Feilden Clegg Bradley has stated recently, three things need to happen to get the project moving. Firstly, outline planning permission was granted by the Lake District National Park Authority on 3 February 2010 to turn Lowther Castle into a major tourist attraction with a visitor centre and exhibition space, eight holiday apartments and a restaurant, shop and associated toilets. This clears the way for applying for full planning permission. Secondly, the funding agreement needs to be signed to detail the budget and how it will be spent and over what period. This, in turn, clears the way for detailed design work. Thirdly, the lease between the Lowther Estates Trust and the Castle and

Gardens Trust has to be signed and exchanged. Hopefully these will all be achieved in March 2010 and then the development phase can begin.

It is hoped that the Castle and Gardens will be opened in early 2012 and it is expected to draw in more than 160,000 visitors each year, creating more than 30 jobs and generating over £10 million for the economy of Cumbria.

National Park Visitor Centre, Brockhole

The Lake District National Park Authority (LDNPA) are planning to develop the National Park Visitor Centre at Brockhole into a world class visitor attraction. Eventually this will include a new indoor interactive visitor attraction telling the World Heritage story, a new café, retail outlet, a taster "indoor" climbing wall, a new water sports centre, restored gardens and grounds, a new lakeside ferry hub, increased car parking, park and ride/sail facilities and improved foot and cycle path connections into and out of the site. To date the LDNPA have agreed to renew the indoor exhibitions by July 2010; put out to tender a water sports operator to start from April 2010; create a high ropes adventure course by October 2010 and to apply for planning permission for new jetties to take the largest of lake craft to be operational from January 2011. The LDNPA are also bidding for funding for the major development scheme from the NWDA, ERDF and the Heritage Lottery Fund and they hope to hear on these bids by August 2010.

The Glebe, Bowness on Windermere

Bowness Bay and the Glebe are extremely popular visitor destinations and, for some, offer the only experience of the Lake District. However, the overall offer is very poor, dated and, in certain areas, in disrepair; access to the Lake is also restricted. A Steering Group has been established with representation from the LDNPA, NWDA, Cumbria County Council and South Lakes Development Trust to take this project forward. There are significant constraints due to complex land ownership issues and covenants. There are, however, opportunities to create a world class visitor experience that will leave a lasting impression on all those who will visit the area. BDP undertook a public consultation programme and prepared options for consideration which were presented to the LDNPA in January 2010. The next stage of the Master Plan process will be to identify a preferred option. The Master Plan will then be developed into a Supplementary Planning Document (SPD) for the area which will be eventually adopted as part of the statutory planning framework through the Local Development Framework (LDF). It is anticipated that consultation on the SPD will be undertaken in Spring 2010 with the intention that it should be finalised and adopted in Autumn 2010, at the same time as the LDF's Core Strategy. Once this work has been completed, implementation can begin. Development proposals already exist for a significant three star hotel to be located adjacent to the marina.

West Cumbria

Nuclear New Build

The ambition to establish Britain's Energy Coast™ in West Cumbria has received a significant boost with the announcement that a consortium including energy giants Iberdrola S.A, GDF SUEZ S.A and Scottish & Southern Energy plc has purchased land earmarked for a new nuclear power station near Sellafield. The consortium – which comprises of British, Spanish and French companies – will now progress to the next stage of the nuclear new build process after completing the purchase of 190 ha (470 acres) of Nuclear Decommissioning Authority owned land just north of the existing Sellafield site. They aim to begin construction of the new power station in 2015.

The purchase of this prime site is a significant milestone in the goal to have a new nuclear power station generating electricity by around 2021 and a strong indication of the confidence of major players in the global energy industry to invest in West Cumbria. Together with our cutting-edge skills, research and infrastructure programmes, this makes West Cumbria the most attractive place for a wide range of energy investment opportunities in Britain. The land adjacent to Sellafield is one of

three sites in West Cumbria which successfully made it through the Government's nomination process. RWE npower has also submitted two sites in West Cumbria through the Strategic Siting Assessment process – one at Braystones near Sellafield and the other at Kirksanton near Millom.

Maryport Business Centre

A new £1.9 million business centre which houses six studios and 24 industrial units has been officially opened in Maryport on the site of the former British Industrial Plastics (BIP) factory on the Solway Trading Estate. The early December opening was deliberately timed as a signal that Cumbria was open for business following November's devastating floods, and it is expected that between 45 and 90 new jobs could be created at the centre.

The business centre is just one of a number of regeneration projects the county council is involved with in Maryport that aims to transform the town into a hub for business and high quality tourism. Others include:

- Hutton Place – a £950,000 new road is being built to provide quicker, more direct access from the southern end of Maryport to the harbour. It will involve landscaping, straightening out a bad bend and installing a new roundabout to provide a second access to the Glasson Industrial Estate. It is due to be completed in October.
- Maryport Marina – A new office has been built for the Harbour Authority and the boat repair building improved to cope with taller vessels. A boat lift was also purchased to enable boats to be lifted in or out of the water more quickly and the boat berthing facilities revamped.
- Sandy Lonning Allotments – Derelict sheds have been removed and the grounds cleaned up to make way for new pigeon lofts, allotments and footpaths.

Tidal Energy Studies

The *Solway Firth Energy Feasibility Study* has identified options for four tidal barrages, two lagoons and three tidal reefs, which could generate between 100MW to 6GW of energy. Any development would result in significant investment and job creation in West Cumbria, while providing enough green energy to power hundreds of thousands of homes. It could also create an important transport link between North East Cumbria and Southern Scotland, bringing wider economic benefits to both sides of the Solway Firth. The Solway Estuary is the second most powerful estuary in Britain after the Severn Estuary. The full report can be downloaded at www.solwayenergygateway.co.uk.

A further study is also underway to explore options for tidal energy generation across the Duddon Estuary in South Cumbria. This latest study for a *Duddon Estuary Tidal Energy Scheme* will examine options for tidal barrages, fences, reefs and other innovative technologies along with the potential for a road link between Barrow-in-Furness and Millom at the southern tip of Britain's Energy Coast™. Britain's Energy Coast West Cumbria has commissioned consultants Parsons Brinckerhoff to undertake a feasibility study which will help to identify the best options for any potential development. Previous studies have suggested the Duddon Estuary has potential to generate around 100MW of energy – enough to power in the region of 200,000 homes – and provide a new transport link that would cut 17 miles off the current journey between Barrow and Millom. The study has been funded with a £30,000 grant from Britain's Energy Coast West Cumbria and a further £30,000 from the Carbon Challenge Fund, which is administered by the Northwest Regional Development Agency (NWDA). Britain's

James Fisher Nuclear Rig Hall Project

West Cumbria-based James Fisher Nuclear Services (JFNS) has initiated a major project to significantly expand its engineering systems trials and testing capability in West Cumbria. The project will include the build of a rig hall of nearly 1,000 square metres, 21m high with a 20 tonne overhead travelling crane, together with 600

square metres of office space. The new building is to be constructed on the Bridge End Industrial Estate, Egremont, adjacent to existing James Fisher Nuclear Services owned facilities at Ennerdale Mill, Egremont. The project has awarded a £1.5million design and build contract to Kier Construction Ltd who provide building and civil engineering services through its locally managed business in Carlisle. Kier is utilising a number of Cumbrian sub-contractors, including local design companies, Westlakes Engineering Ltd and Portscene Ltd on the project. Britain's Energy Coast West Cumbria will provide £0.3 million of funding via the NWDA.

Roman Maryport

The Heritage Lottery Fund (HLF) has given the green light to Hadrian's Wall Heritage Ltd (HWHL) to work up plans to transform and excavate Camp Farm at Maryport. Development funding was awarded to HWHL to help them progress their plans for Camp Farm, which is one of the most significant but least researched sites along the Roman frontier in the north of England. The HLF first-round pass means that HWHL can now progress to the second stage of the HLF application process for the £3.75 million of funding it is seeking towards its £11 million project. Applications for funding have also been made to the European Regional Development Fund and the North West Development Agency. Hadrian's Wall Heritage Ltd hopes to secure the full £11m funding package in time for the work starting on site in September 2010. The visitor facilities are expected to open to the public by 2012.

Plans for the new museum include galleries examining the purpose of the northern frontier, Maryport's role in the western sea defences, life at the fort and vicus, and themes such as religion, ethnic diversity, migration and career paths. This key heritage development also involves the restoration and conversion of historic farm buildings into galleries, where there will be rich, varied, and complementary interpretation emphasising the relevance of the story of Roman Maryport. There will also be viewing galleries to enable people to view the parts of the dig that are underway and a Roman farm attraction.

Whitehaven Town Centre

Whitehaven's town centre showpiece is now open to the public. The bulk of the work on the Civic Quarter – a completely redesigned public area outside the Civic Hall and Library on Lowther Street and Scotch Street – is now complete and ready to be enjoyed. It includes the county's first permanent street art gallery space, new seating, innovative lighting and pleasant open spaces. The street gallery has two display areas - the High Gallery offers studio artists the opportunity to exhibit new work, and the Low Gallery features work from local community arts projects. Both areas will change exhibits regularly. The £650,000 Civic Quarter project was funded by Copeland Borough Council, West Cumbria Development Fund, Britain's Energy Coast West Cumbria via the North West Regional Development Agency, North Country Leisure and Cumbria County Council.

Derwent Forest

Consultancy DTZ is to commence the formal marketing of Derwent Forest, the former Royal Naval Armaments Depot located close to Cockermouth, on behalf of Allerdale Borough Council and Cumbria County Council. They will be inviting comprehensive proposals for the 425 hectare (1,050 acre) site focusing on leisure and tourism related uses.

The site, formally known as Broughton Moor, occupies a prominent location overlooking the Lake District and is the largest brown field site within the North West of England. Derwent Forest is part of the employment site's strand of the Britain's Energy Coast™ programme – a £2 billion package of regeneration projects which aims to establish Cumbria as a nationally important generator of low carbon and renewable energy and an attractive destination in which to live, visit and invest. Its history as an armaments store and factory has left the site with a legacy of internal railway lines and other infrastructure, including a significant number of buildings previously used to

house and manufacture armaments. Restricted access to the site over the past 50 years has also encouraged the establishment of a diverse ecology.

Analysis of the site has identified a number of principal areas on which redevelopment would be appropriate and the local authority has indicated that a proportion of residential development would be acceptable. The deadline for developers to submit their outline proposals was the end of January 2010. These submissions will then be evaluated and reduced to a shortlist by the end of April 2010. Detailed proposals will then need to be submitted by the short listed developers by August 2010, with the preferred developer announced at the end of 2010.

Port of Workington

A £1m dredging operation to clear up the debris and waste left in the Port of Workington by the November floods has proven a success, with the port restored to full working order ahead of schedule. Dredging started on Christmas Day and was completed on January 8th. Underwater checks carried out since then have revealed that shipping channels have been successfully cleared and the port is now capable of accepting its upper limit of 10,000-tonne deadweight vessels often used to transport gypsum and timber products. Dredging teams worked round the clock in 12-hour shifts to complete the work, depositing around 120,000 metric tonnes of debris further out to sea – the equivalent of shifting 24 Olympic-sized swimming pools full of boulders, rocks, trees, silt and general debris. The freezing conditions actually helped the dredging operation, as the reduced water flow of the River Derwent meant that the two dredging vessels were working in calmer conditions in the port's turning basin and access channel.

The success of the operation means the Port of Workington is now fully open for business. This is an enormous achievement building on the considerable work it carried out to remain open in the aftermath of the floods in December, where it continued to run at around 70% of its total capacity despite the damage caused by the floods. The port's cargo handling service enabling road and rail transfers has remained operational throughout. The effort to restore the Port of Workington is part of the overall co-ordinated flood recovery effort led by Cumbria County Council to ensure the impact of the floods on businesses in West Cumbria is minimised. The Port of Workington and the county council is still working with insurers to quantify the cost of the clean-up and repair operation. Further works will be required on the river side of the harbour, particularly rebuilding the retaining wall at the end of Merchant's Quay, replacing river bank supporting walls, and repairing the Old Railway footbridge and cycle way which was damaged in the floods. These necessary repairs have no impact on the current operational ability of the port, but current estimates predict the repair bill could be up to £5.75m.

Silloth Green

The multi-million pound transformation of The Green, Silloth has moved a step closer with the appointment of consultants – Southern Green Ltd, to further develop the project. Once completed the scheme would see improvements to the town's historic green and surrounding area including the restoration of the pagoda and Edwardian public toilets, an events area, water and adventure play areas and bike track, improved lighting, a putting green and new park furniture such as benches and litter bins. Silloth Town Council, the Heritage Lottery Fund, Cumbria County Council, Allerdale Borough Council, Britain's Energy Coast West Cumbria, Silloth Regeneration and North Allerdale Development Trust are all working in partnership to make the Silloth Green project a reality. The scheme has already passed the Heritage Lottery Fund stage one submission – which also provided funding to develop the stage two submission. If successful, £2.3 million from funders including the Heritage Lottery Fund, Silloth Town Council, Britain's Energy Coast West Cumbria and West Cumbria Development Agency is set to be put into The Green to boost the town's tourist trade, breathe new life into its economy and restore dilapidated buildings and landscapes to their former glory. The area included in the proposed revamp will encompass The Green, Lawn Terrace and the area up to the Eastcote lighthouse.

