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Delivering for Cumbria



Professor Frank Peck of the University of Cumbria's Centre for Regional Economic Development writes for in-Cumbria on the big issues of the day and the economic data behind them. This month, he focuses on the logistics sector

Strategic connectivity of the M6 Corridor is one of the four major themes in the Cumbria Strategic Economic Plan. Within this context, transport and logistics is recognised a key sector for the economy of the county.

Using most recent data on employment for 2015, there are at least 10,000 people employed in businesses that specialise in some form of transport (by land, sea and air) or warehouse and storage. This, however, is the tip of an iceberg as there are people whose jobs involve transport and storage who are working for organisations whose primary function is something other than transport and storage. As an activity, therefore, the movement of people and goods is a major part of our economy.

So how does Cumbria compare with other parts of UK with regard to the significance of this sector? Overall, official data indicates that employment in businesses that specialise in transport and distribution activity is as prevalent in Cumbria as in the UK as a whole – it constitutes around 4.5 per cent of total employment.

However, a very different picture emerges when the focus is placed specifically on land transport (road and rail including post and courier services). Over 8,000 people are employed in these types of businesses in Cumbria which account for around 3.4 per cent of the total – higher than the equivalent national average figure of 2.6 per cent.

This comprises employment in businesses that specialise in freight transport by road (around 3,900 jobs), passenger transport providers (1,800) and post and courier services (1,500). The county also hosts businesses that provide services to transport providers (e.g. specialist training) that account for a further 1,000 jobs.

Those who know the economy of Cumbria well will not be surprised by



● The M6 corridor

these figures. The data confirms the significance of the county's specialist providers of logistics services and, pre-eminently, the highly successful Eddie Stobart brand. The Stobart Group, however, is not alone, for there are many other continuing success stories of Cumbrian-based businesses that have proven capability in providing logistics support including Stalkers Transport Services (Brampton), Wm. Armstrong Group (Longtown), A. W. Jenkinson (Penrith), Lawsons Haulage (Cockermouth) to name just a few.

Providers of transport and logistics services have created recent growth in employment in Cumbria. Land transport in total has recorded employment growth in the county of over 12 percent between 2009 and 2015. Part of this growth may be associated with structural changes in the economy as businesses increasingly outsource transport and storage functions to these specialist logistics providers. This is a well-established trend, however, so recent growth will also reflect the competitive performances of logistics firms operating in Cumbria. This is an encouraging sign.

While the county evidently benefits from many advantages in this sector (M6 connectivity, experience of local firms, local knowledge of sector, support networks), employment in the county is perhaps vulnerable to changes in profitability and the operations of relatively few larger firms. Also, sustaining growth presents major skills challenges in an industry experiencing constant technological change and an increased demand for "soft skills" in relation to handling clients and the customers of clients in the process of delivery. Close association between logistics firms and support organisations that provide training and development will be one key aspect of maintaining local competitiveness.

There are grounds for optimism. The county hosts several significant haulage fleets operated by companies that have demonstrated long-term commitment to the county. While new investments in specialist logistics hubs are relatively few in number, recent and planned investment in distribution facilities as well as air freight capability by Stobart Group at Carlisle Airport could stimulate a further step change in this industry. [ic](#)