Carlisle Renaissance: Economic Strategy

SWOT Analysis

22nd December 2006

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1: Introduction

1.1 The district of Carlisle has reached an important stage in terms of its economic development. Following a series of economic and natural setbacks, the city has finally been recognised at both national and regional levels as ready for significant levels of investment that will shape its future social, economic, spatial and physical development.

1.2 Carlisle Renaissance has already published and consulted widely upon its proposals to help refocus the future development of the city centre, capitalising upon the focus and momentum built as a consequence of the flood in 2005.

1.3 SQW, in partnership with Rural Innovation, has now been commissioned by Carlisle City Council to assist stakeholders in the development of an economic strategy and action plan, to support the future growth of the Carlisle economy as a whole. While the scope of the strategy is concerned with the *district* of Carlisle (i.e. the local authority area, including the urban area and the rural hinterland), the city plays a key role in the wider Cumbrian economy, and the links with neighbouring authority areas will be important considerations.

1.4 As the first stage of the strategy development process, the following SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis has been prepared, as a tool to help identify the strategic imperatives for Carlisle's economy.

1.5 The analysis is made up of several components each examining a separate aspect of the local economy, reflecting the key themes of the new Regional Economic Strategy (RES).

- Section 2 summarises the headline economic indicators for Carlisle, highlights key trends, and explores the future shape of the economy if previous trends continue.
- Section 3 reviews Carlisle's **business** base, including the industrial structure, clusters, business formation and survival rates, the voluntary sector, innovation indicators and enterprise support.
- Section 4 explores the **skills and education** dimension, in terms of the current skills profile, education provision, skills shortages, and key initiatives that will impact on Carlisle's skills and education levels.
- Section 5 considers the '**people and jobs'** aspects, in terms of employment and worklessness levels, health, deprivation and demography.
- Section 6 deals with the **infrastructure** aspects of the city and explores the transport infrastructure, commercial, industrial and residential developments and broadband infrastructure.
- Section 7 offers an analysis of elements of the **Quality of Life** offer of the Carlisle local authority area. It considers perceptions of Carlisle, environmental issues, tourism, culture and leisure.

1.6 The purpose of this report is to provide the context for discussion amongst community, business and public sector leaders of the emerging economic priorities in Carlisle as the starting point of strategy formulation.

1.7 A draft of this report was reviewed at a stakeholder workshop on 8th November. We have revised the report in the light of feedback from that event, and from review comments forwarded to SQW. This feedback has been extremely useful, and has strengthened the analysis considerably. We consider that this final version of the SWOT analysis provides a reasonably balanced and robust evidence base for the next stages of the strategy development process.

2: Overview of the Carlisle economy

2.1 In this section, we summarise the headline economic indicators for Carlisle, highlight key trends, and explore the future shape of the economy if previous trends continue.

Key economic indicators

2.2 The population of the district of Carlisle is approximately 105,000 (as of June 2005). According to the 2001 Census, about 69% of the district's population lived in the urban area, with 31% in the rural wards; approximately 113,000 people live in the city's travel-to-work area. The main settlements are Carlisle, Longtown, Brampton and Dalston.

2.3 The table below summarises various economic indicators, in order to provide an 'at a glance' snapshot of the Carlisle economy, compared with the North West and England averages.

Table 2-1 Key economic indicators

	Carlisle	North West	England
% Change in Population 2000-2005	+4.3	+1.1	+2.4
Working Age Population – WAP (% Total Pop) 2005	57.5	59.9	60.5
GVA per capita (£) - 2004	14,645 (East Cumbria)	14,994	17,532
GVA per worker (£) – 2004	29,935 (East Cumbria)	33,953	39,204
Median Weekly FT Earnings (£) – 2005	339	369	397
VAT stock per 10,000 WAP – 2005	565	431	518
VAT registrations per 10,000 WAP -2005	48	43	51
Net change in VAT stock per 10,000 WAP: 2000-2005	14.9	7.9	7.3
% of WAP, self-employed - 2005	11.3	10.8	12.7
% 15 year olds achieving 5 A*-C GCSEs - 2005	54.0	53.9	56.3
% of WAP with NVQ4+ - 2005	21.7	24.2	26.2
% of WAP with NVQ3+ - 2005	34.7	42.4	43.9
% of WAP with NVQ2+ - 2005	59.3	62.0	62.5
% of WAP with NVQ1+ - 2005	76.3	76.7	77.1
% without any qualification - 2005	13.0	17.0	14.1
Economic inactivity rate (% of WAP) - 2005	19.0	23.4	21.6
Employment rate (% of WAP) - 2005	78.3	72.6	74.6
Incapacity Benefit (IB) Claim Rate - 2005	7.9	10.4	7.0

Sources: Various – ONS Mid-year population estimates, Annual Business Inquiry, VAT data, Labour Force Survey, DfES, Office of National Statistics

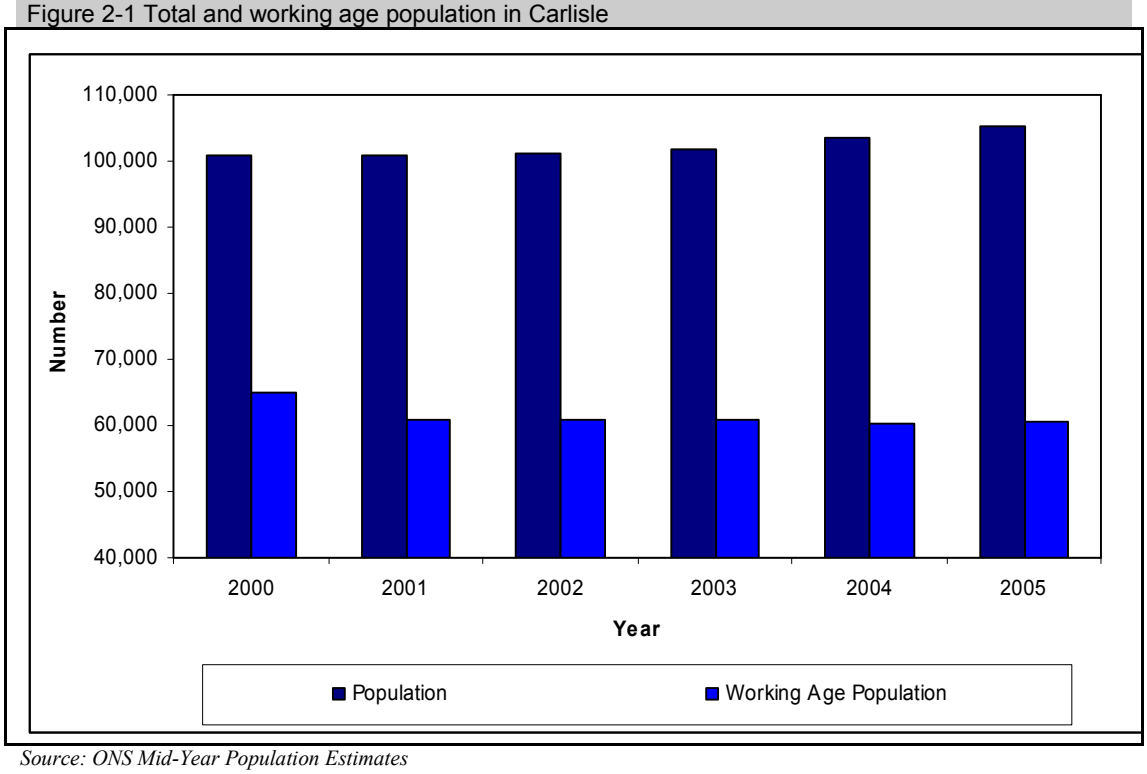
2.4 Whilst the population of Carlisle has seen strong growth in recent years, the percentage of the population that is of working age is relatively low. Levels of employment within that working age population are currently good; however, compared to the regional and national averages, much of this is in relatively low value added activity – reflected in a low average GVA per employee, a low average wage, and a low proportion of workers with higher level skills. To some extent, the relative lack of high value-add activity reflects Carlisle's status as a small city: the highest value added, specialist jobs tend to be found in the large cities, and this can distort the regional and national comparators.

2.5 On the positive side, Carlisle has recently seen strong growth in the levels of VAT registrations, combined with a relatively high survival rate, leading to a net growth overall in the stock of local companies.

Key trends

2.6 The population of Carlisle has been increasing over recent years, although the working age population has decreased, as shown below.

Figure 2-1 Total and working age population in Carlisle

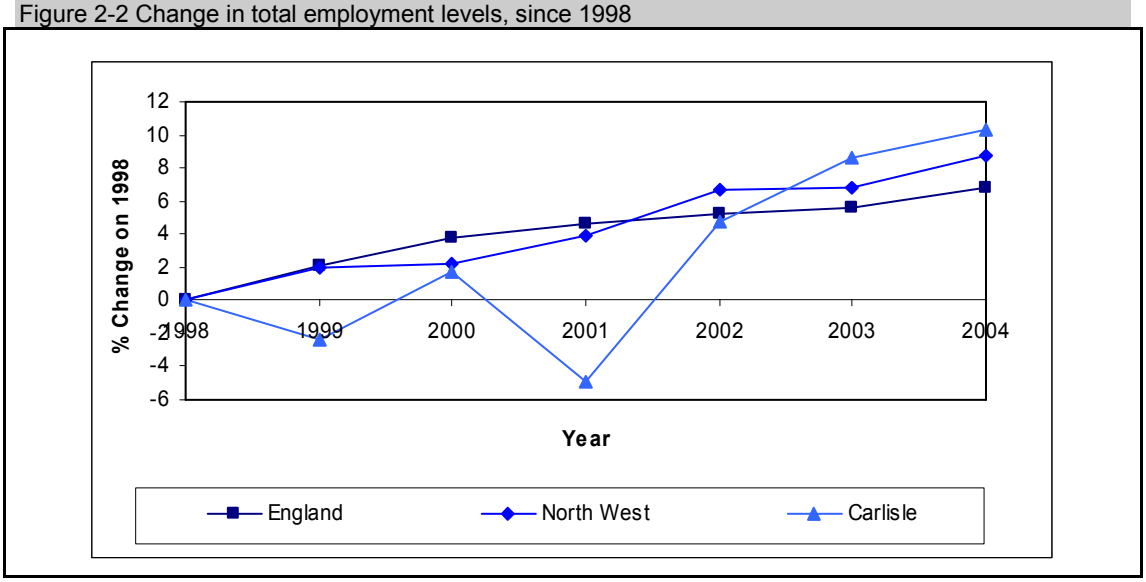


Source: ONS Mid-Year Population Estimates

2.7 Employment growth has been relatively strong, as shown below[3].

[3] We have been advised that there may be a data error in the 2000 ABI employment statistics for Carlisle.

Figure 2-2 Change in total employment levels, since 1998



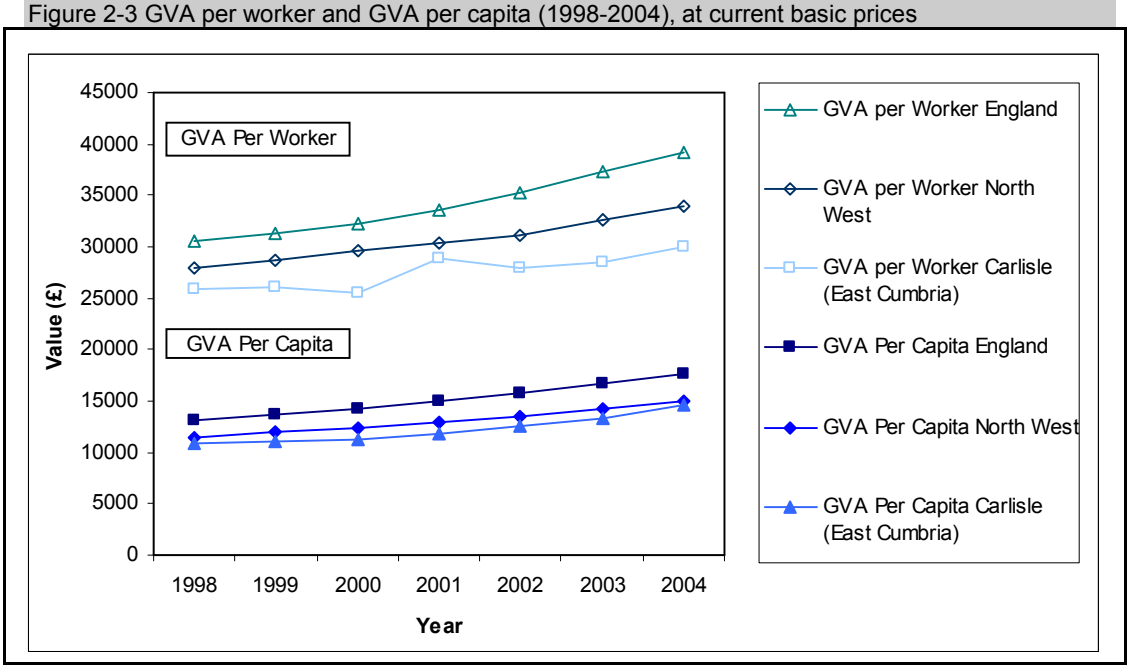
Source: ABI

2.8 Raising productivity represents a key challenge for Carlisle, if it is to revitalise the local economy and provide the economic conditions for future sustainable growth.

2.9 In 2004, the East Cumbria economic area, of which Carlisle is the main constituent, produced an economic output of £3.7 billion, accounting for 3.6% of total regional GVA[4].

2.10 As illustrated below, despite continuous increases, GVA per capita in East Cumbria (£14,645) lags behind the regional and England averages, although data released in December 2006 by ONS suggests that the gap versus the North West has narrowed. The gap in productivity (measured by GVA per worker) is more pronounced. In 2004, GVA per worker in East Cumbria was £29,935 - only 88% of the regional average.

Figure 2-3 GVA per worker and GVA per capita (1998-2004), at current basic prices



Source: ONS, SQW analysis

[4] The lowest geographical level at which GVA data is available is NUTS 3, therefore East Cumbria has been used to represent Carlisle.

2.11 Carlisle has in this current decade experienced two major shocks which have had significant impacts upon the economy, but which could ultimately provide a platform for an economic 'renaissance'.

- First, in 2001, Foot and Mouth Disease (FMD) broke out in Cumbria and adversely affected the Carlisle area, having a detrimental impacts on the district's GVA (in 2001, the estimated loss to Cumbria's economy was £260m[5]). Businesses in Carlisle experienced a significant deterioration in their profitability, from which recovery took longer than elsewhere in the country[6].

- Secondly, extensive flooding took place in Carlisle in January 2005. A Cumbria Business Recovery Group survey of 666 affected businesses found that, for the respondents providing information, damage costs before insurance pay-outs were estimated at a minimum of £14.4m, with a further £4.4m in lost business. The full economic impacts of the floods are yet to be determined, however, given the leadtimes associated with the generation of official economic statistics.

2.12 These issues, and the initiatives put in place in response to the shocks (including *Cumbria Rural Action Zone* and *Carlisle Renaissance),* will be instrumental in the thinking behind the development of an economic strategy and future efforts to re-focus the Carlisle economy.

2.13 There are, of course, wider UK and global macroeconomic, technological, social and environmental developments which will have important impacts for the citizens and businesses of Carlisle – in common with everywhere else - in future years. An analysis of these wider trends is beyond the scope of this report. We would, though, highlight two fundamental developments that will set the context for Carlisle's economic strategy:

- **Climate change**. A scientific and political consensus is emerging regarding the impact of carbon emissions on the world's climate, and on the need for meaningful changes to behaviours and policies to curtail global warming, in order to avoid potentially profound human, environmental and economic consequences. It appears likely that the tax and carbon credit systems will be used to influence business and consumer behaviour, by increasingly reflecting the total costs associated with polluting activities. This is likely to affect every part of Carlisle's economy. Some argue, for example, that economies will need to become increasingly localised and self-sustaining, in order to reduce the polluting impact of travel by people and goods. For a place such as Carlisle, which is relatively remote from other major centres of population, such localisation would bring both threats (in making it more difficult to compete in other markets) and opportunities (in addressing the local market).

- **Globalisation**. Emerging economies are capturing substantial shares of the world's manufacturing activities – especially in China, India and Eastern Europe. With very large numbers of science and engineering graduates, such countries are increasingly also undertaking high value-added research and development, design and service activities (e.g. in software development). The internet and broadband also make it

[5] Cumbria Rural Action Zone (2002) *Next Steps Strategy*, http://www.cumbria.gov.uk/elibrary/Content/Internet/536/647/37833125837.pdf
[6] Defra (2002) *The economic impact of FMD*, http://www.defra.gov.uk/footandmouth/pdf/6districts_udate.pdf

increasingly possible for UK companies to address overseas markets for their goods and services. There is clearly a tension between the trend for markets to be increasingly global and the need for action on global warming. However, both are likely to be important and permanent factors affecting Carlisle's economy over the next several decades.

Current economic structure and projections

2.14 In assessing the current and potential future structure of the Carlisle economy, we have drawn on Carlisle-level data and projections from Cambridge Econometrics' Local Economy Forecasting Model (LEFM), commissioned for this study.

2.15 The LEFM projections need to be treated with some caution, as the model essentially assumes that past trends[7] continue. As stated in LEFM guidance notes: *"The main aim of* generating *projections using LEFM is to provide a quantitative benchmark of labour market prospects for the local area concerned. The projections are based on secondary data sources …. They do not incorporate any specific local knowledge or insight and are intended as a starting point for further analysis rather than a projection of what is most likely to happen….Benchmark projections from LEFM assume that, at a detailed sectoral level, companies in the local area maintain past patterns of behaviour and performance relative to the region and the country as a whole."*

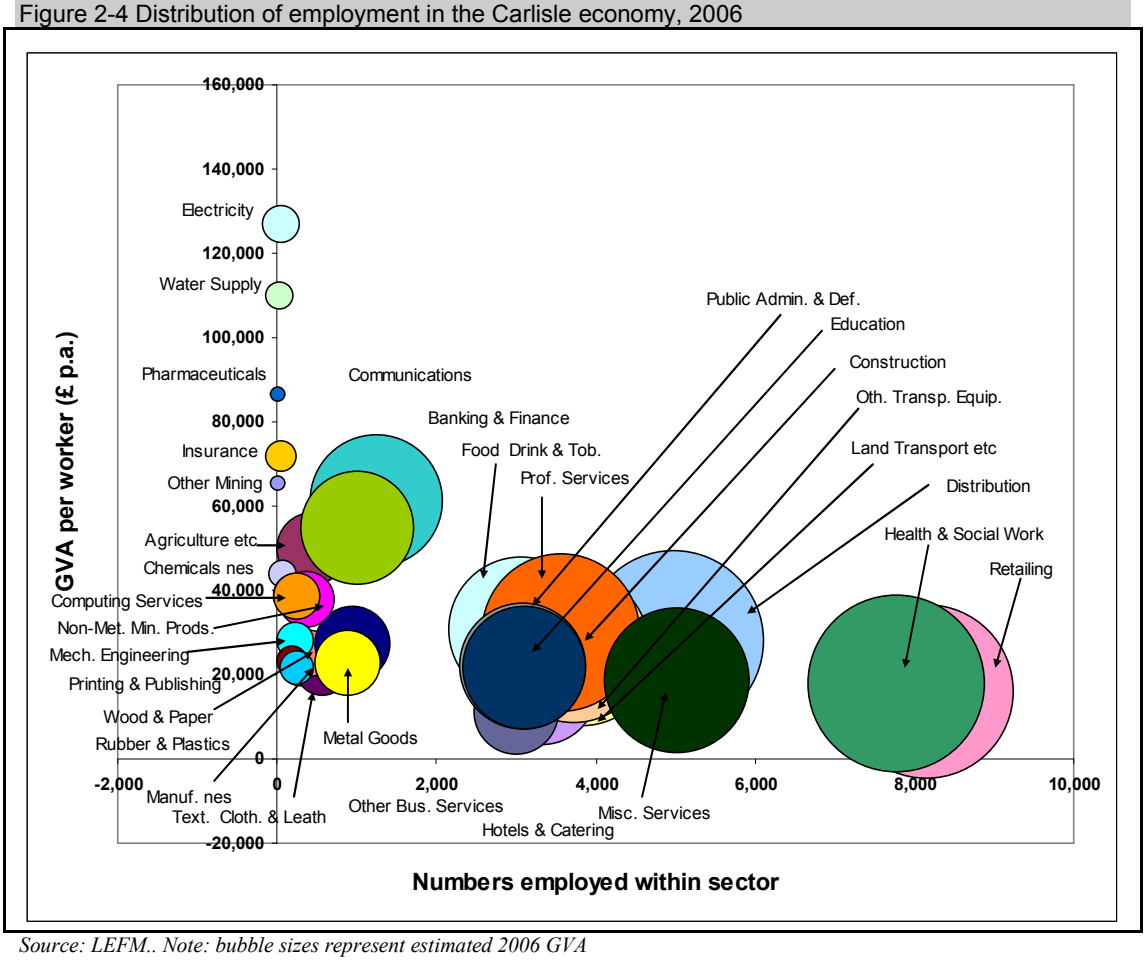
2.16 We emphasise that **the LEFM projections only reflect one possible scenario**. They do not (are not intended to) reflect specific risks and opportunities facing a local economy.

2.17 From this dataset, we observe that much of the employment[8] in Carlisle is currently in relatively low productivity sectors, and that the district does not have great strengths in the higher value added sectors of the economy, as shown in the chart below.

[7] The projections are based on relationships estimated using ABI-based employment data for the period 1981-2004. As the trend data is based on data over such a timeframe, any ABI data anomalies in individual years should not greatly impact on the overall projections

[8] Note that these LEFM estimates of employment include self-employed as well as employed people.

Figure 2-4 Distribution of employment in the Carlisle economy, 2006



Source: LEFM.. Note: bubble sizes represent estimated 2006 GVA

2.18 Three sectors currently dominate the Carlisle economy, both in terms of Gross Value Added (GVA) and employment: distribution, retailing and health and social work. Together, these sectors account for 29% of GVA (£404m) and 35% of employment (20,900 people). Productivity (GVA per worker) in Carlisle's distribution sector is reasonably high at £27,000 per worker; whereas productivity in retail and health and social work sectors is amongst the lowest in the Carlisle economy at £15,700 and £17,600 per worker respectively.

2.19 In terms of economic output, professional services also play a key role in Carlisle economy, contributing £106.5m in 2006, followed by land transport (£98.6m) and construction (£98.0m).

2.20 In addition to distribution, retailing, and health and social work, employment in Carlisle is spread across a number of other key sectors, including construction, hotels and catering, land transport, professional services, business services, public administration and education (all of which employ between 3,000 and 3,800 people) plus miscellaneous services (which employs approximately 5,000 people).

2.21 Productivity in five sectors of Carlisle's sectors is below £20,000 per worker, including business services, retailing, hotels and catering, health and social work and miscellaneous services – these sectors combined accounting for 31% of GVA and some 45% of employment.

2.22 Despite being the administrative centre for Cumbria, sectors with high productivity, such as pharmaceuticals (£86,300 per worker), insurance (£71,600 per worker), communications (£61,000 per worker) and banking and finance (£54,600 per worker), are currently represented on a relatively small in scale in Carlisle. The key challenge for Carlisle will be to raise productivity in the existing low productivity sectors, and grow sectors with medium and higher productivity.

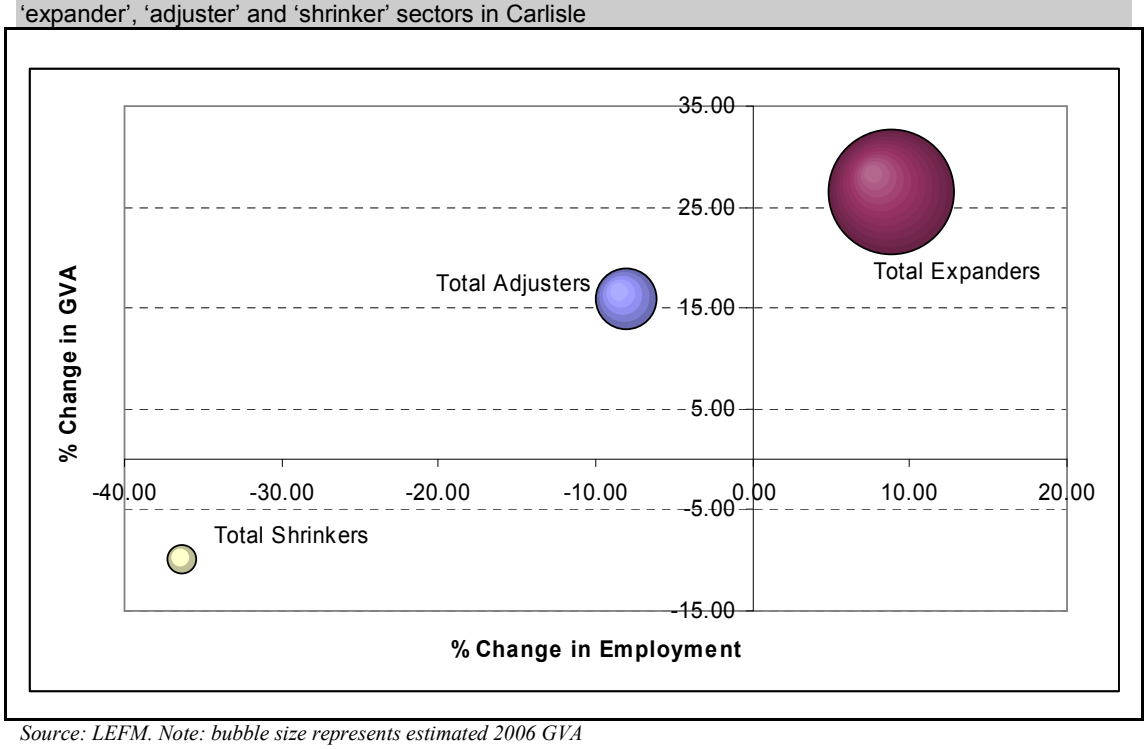
2.23 Over the next 14 years, GVA produced by the Carlisle economy is projected to increase by 31% to £1.8bn - a rate of growth slightly lower than the regional and national averages, at 34% and 40% respectively. Over the same time period, employment is projected to increase by 5.9% to 64,000 people, compared to 6.7% for the North West and 8.4% for the UK.

2.24 The analysis below splits sectoral performance forecasts into three categories:

- expanders – sectors where both GVA and employment are projected to increase
- adjusters – sectors where GVA is projected to increase, but employment is projected to fall
- shrinkers – sectors where both GVA and employment are projected to decline.

2.25 The overall distribution of expanders, adjusters and shrinkers in the Carlisle economy is shown in the chart below.

Figure 2-5 Total projected change in GVA vs projected change in employment (2006-2020) in 'expander', 'adjuster' and 'shrinker' sectors in Carlisle



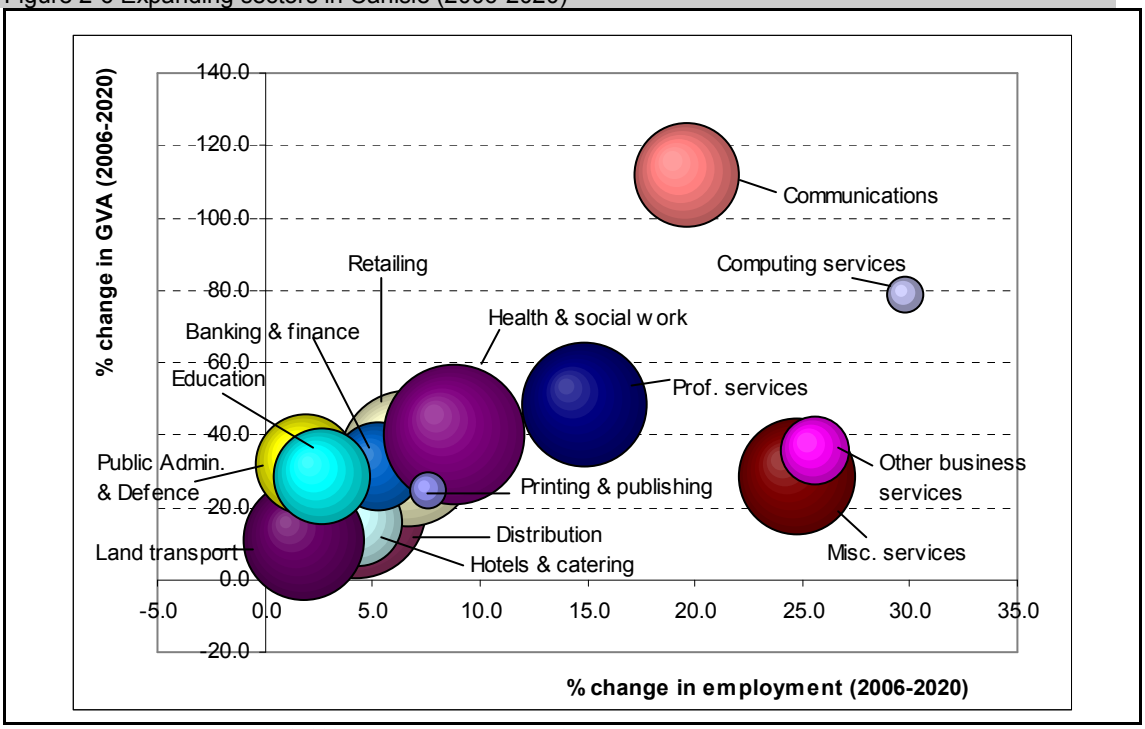
Source: LEFM. Note: bubble size represents estimated 2006 GVA

2.26 We take each group in turn and discuss in more detail below.

Expanders

2.27 LEFM projections suggest that the communications sector will experience the greatest increase in GVA, with a growth rate of 112%. By 2020, this sector is projected to generate £161m in output, and employ almost 1,500 people in Carlisle, making it one of the most productive sectors in the city economy (productivity in 2020 is projected to be £108,000 per worker).

Figure 2-6 Expanding sectors in Carlisle (2006-2020)[9]



Source: LEFM. *Note: The bubble size represents estimated GVA in 2006*

2.28 High output growth is also projected in computing and professional services sectors, at 79% and 48% respectively. Although computing services will make a relatively small contribution to Carlisle's GVA (accounting for £18m of total GVA in 2020), the sector does have higher productivity (£53,000 per worker in 2020). The professional services sector is also projected to make a significant contribution - not only to Carlisle's GVA (£158m by 2020) but also local employment (over 4,000 people in 2020). Finance and business services, another high value added sector, is also predicted to grow by 2020, albeit at a relatively slow rate (5%).

2.29 Within the expanders group, there are also a number of sectors that are – and will remain - large employers, such as retail, health and social work, and miscellaneous services. By 2020, these sectors will account for 37% of employment, but will be amongst the least productive sectors in terms of GVA per worker.

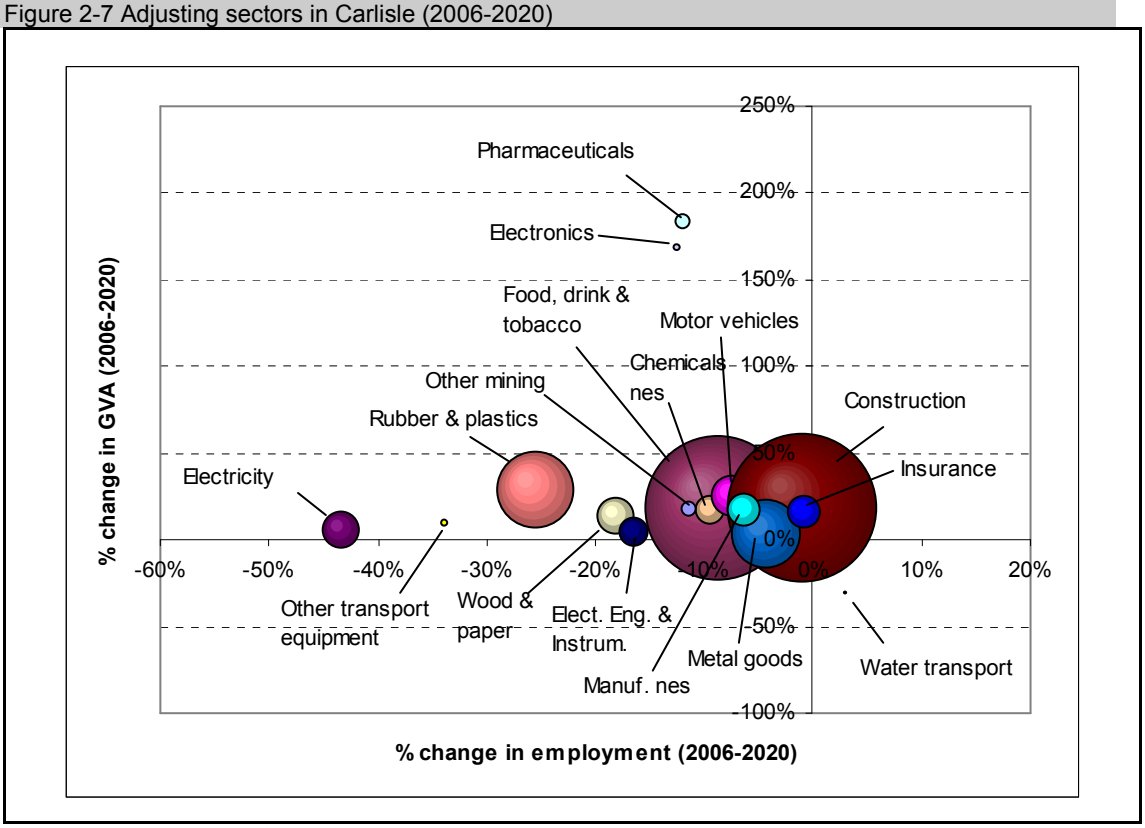
Adjusters

2.30 By 2020, a number of sectors in Carlisle will have adjusted to remain competitive by reducing employment numbers whilst raising GVA. The headline message is that, despite small reductions in employment, the construction and food, drink and tobacco sectors are projected

[9] The size of the bubbles presented in this and the following two figures represent the estimated GVA in each sector in 2006. Note that bubble sizes between the three figures can not be compared.

to remain key creators of both GVA and employment. By 2020, the construction sector will contribute £117m to the district's economy and employ some 3,800 people. A further £110m is projected to be generated by the food, drink and tobacco sector, which will employ 2,800 people.

Figure 2-7 Adjusting sectors in Carlisle (2006-2020)



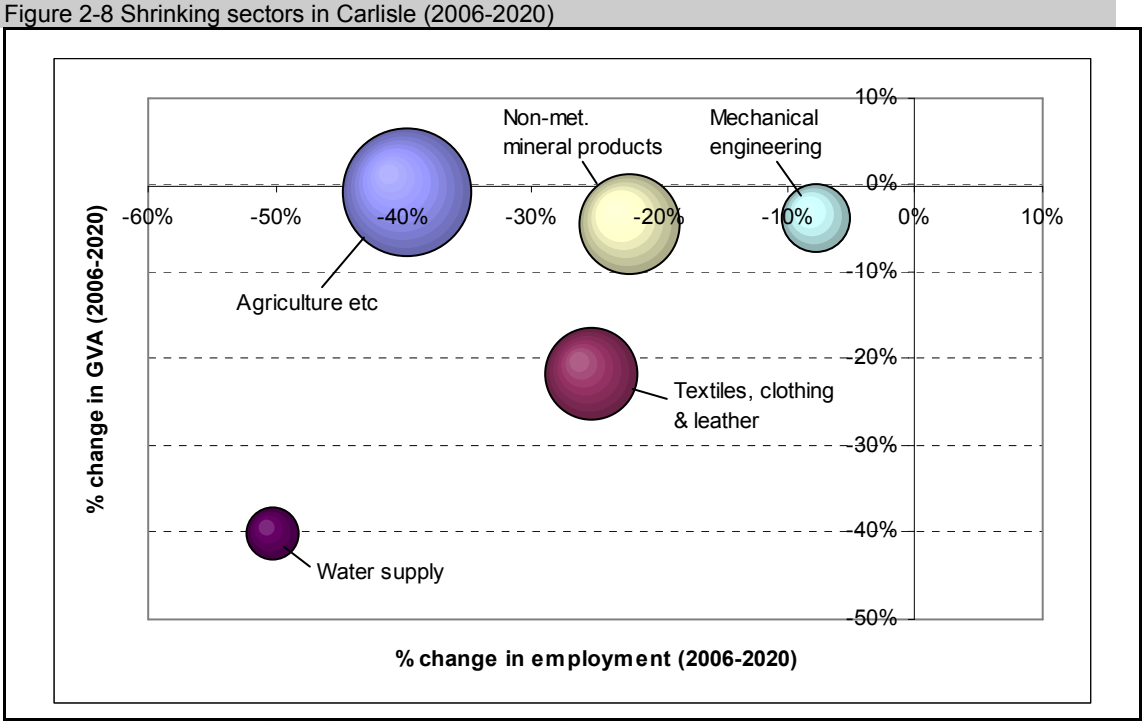
Source: LEFM *Note: The bubble size represents estimated GVA in 2006*

2.31 Productivity in terms of GVA per worker will increase in all the adjusting sectors, peaking in electronics (£115,100 per worker), electricity (£236,800 per worker) and pharmaceuticals (£277,700 per worker) by 2020. Other highly productive adjusting sectors include insurance (£84,300 per worker), other transport equipment (£63,800 per worker) and chemicals (£57,100 per worker).

Shrinkers

2.32 There are five sectors in which both GVA and employment in Carlisle are projected to fall by 2020. These sectors focus on primary activities, such as agriculture, mineral products and water supply, the production of textiles, clothing and leather, and mechanical engineering. By 2020, these sectors combined are projected to employ only 1,200 people (down 27% from 2006 levels), and generate £54m in GVA (compared to £60m in 2006).

Figure 2-8 Shrinking sectors in Carlisle (2006-2020)



Source: LEFM *Note: The bubble size represents estimated GVA in 2006*

Implications of the LEFM projections

2.33 While Carlisle is fortunate in that its economy is not over-exposed to sectors which are expected to contract in terms of both GVA and employment, there are a number of important adjuster sectors which are likely to reduce in terms of overall employment levels (while increasing output).

2.34 There will be an ongoing need to ensure that those people losing jobs, either in shrinking or adjusting sectors, are provided the opportunities for re-skilling where necessary, to ensure they remain economically active and to ensure that their transition into other sectors is successful.

3: Business

3.1 Developing a strong, broad, and robust business base is fundamental to strong economic performance and the creation of wealth. In this section we review Carlisle's business base in terms of the industrial structure, clusters, business formation and survival rates, the voluntary sector, indicators of innovation and enterprise support.

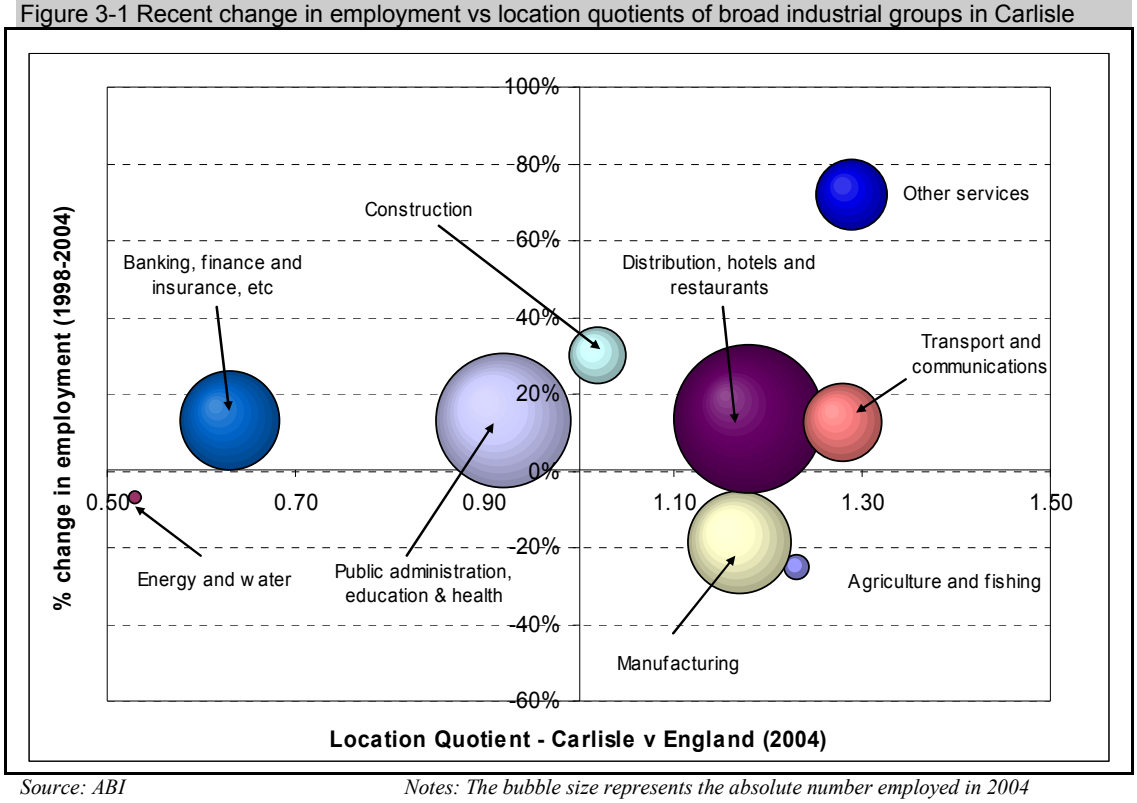
Industrial structure

Sectoral mix

3.2 In the previous section we illustrated the structure of Carlisle's economy in terms of the sectors modelled in LEFM. Here, we explore the current sectoral mix further, by considering the employment Location Quotients (LQs) for broad industrial groupings, using Standard Industrial Classification (SIC) data from the Annual Business Inquiry (ABI). LQs are an indication of the position of Carlisle relative to the England average, in terms of the share of employment in each sector[10], and they provide useful insights into the areas in which the local economy is strong and those where the economy is under-represented.

3.3 The chart below plots Carlisle's broad industrial groupings in terms of their change in employment over the period 1998-2004, and their 2004 employment LQs versus England.

Figure 3-1 Recent change in employment vs location quotients of broad industrial groups in Carlisle



Source: ABI *Notes: The bubble size represents the absolute number employed in 2004*

[10] A Location Quotient of 1.0 implies that a sector accounts for exactly the same proportion of employment in Carlisle as it does in England as a whole.

3.4 Key points to note include the following:

- Manufacturing remains very significant and relatively strong in Carlisle (LQ of 1.17) despite an 18% fall in employment in this sector over the period 1998-2004.
- Agriculture and fishing has suffered the most marked decline in employment over the period (-25%); whilst a small sector in terms of both employment and GVA, it remains an important part of the local economy: with an LQ of 1.23, and with links to the local food processing industries. Note also that the ABI estimates exclude self-employment, which is significant in the agriculture sector.
- Construction and Other Services have seen strong growth in employment (30% and 72% growth respectively). In particular, Other Services has a high location quotient (1.29), reflecting Carlisle's position as a centre for the sub-region.
- There has been fairly modest growth in the 'Banking, finance and insurance etc' grouping[11] (13%). This, however, is the area in which the UK economy as a whole is expanding most rapidly, encompassing many of the 'knowledge industries'. Carlisle is under-represented here – even bearing in mind that the regional and national comparators for this sector are likely to be distorted by the concentration of such jobs in the large cities.

3.5 In the table below, we compare Carlisle's industrial structure with those of three other mid-sized Northern city districts.

Table 3-1 Comparisons with selected other city districts' industrial structures (2004)

	% of total Employment					Location Quotients vs England			
	England	Carlisle	Chester	Lancaster	York	Carlisle	Chester	Lancaster	York
Agriculture and fishing	0.8	1.0	1.2	0.9	0.5	1.2	1.5	1.1	0.6
Energy and water	0.5	C[12]	C	1.4	C	0.6	1.4	2.8	0.4
Manufacturing	12.0	**14.0**	4.9	7.7	6.8	1.2	0.4	0.6	0.6
Construction	4.5	4.5	3.2	5.4	3.4	1.0	0.7	1.2	0.8
Distribution, hotels and restaurants	25.0	29.5	31.5	25.6	29.2	1.2	1.3	1.0	1.2
Transport and communications	6.1	7.8	4.8	5.6	10.5	1.3	0.8	0.9	1.7
Banking, finance and insurance, etc	20.7	13.0	**26.5**	11.2	13.7	0.6	1.3	0.5	0.7
Public administration, education & health	25.9	24.0	24.1	38.6	30.5	0.9	0.9	1.5	1.2
Other services	5.1	6.7	3.2	4.1	5.4	1.3	0.6	0.8	1.1

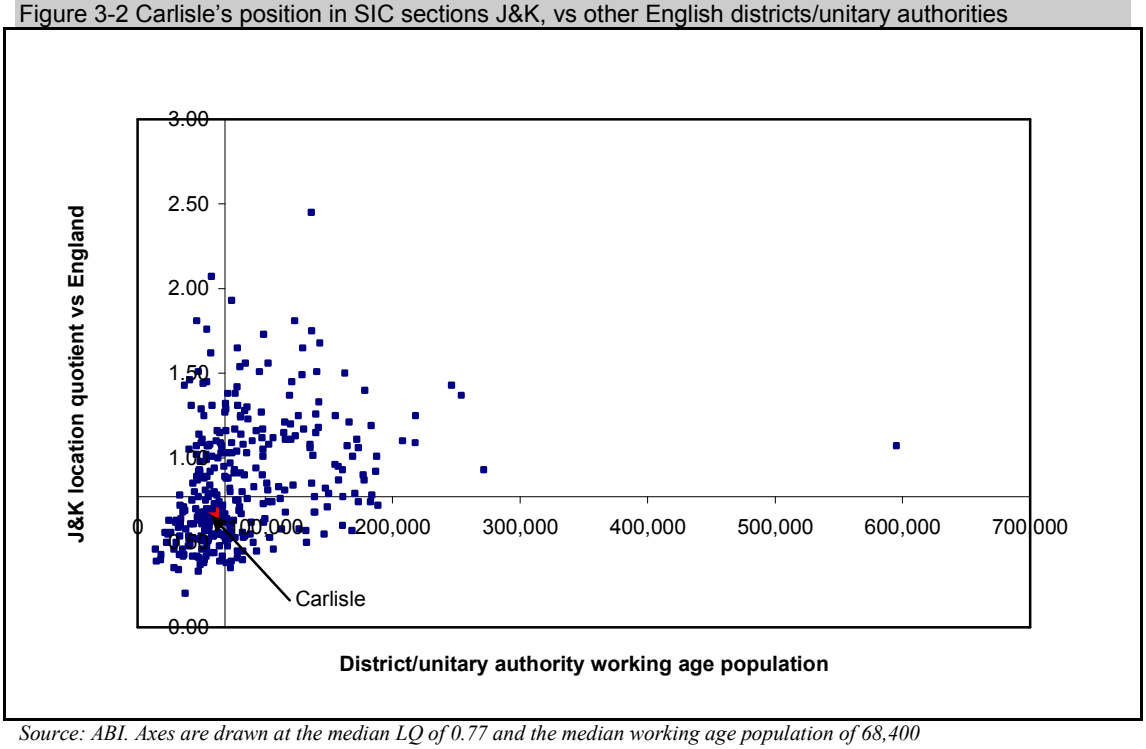
Source: ABI

[11] This includes SIC sections J (Financial intermediation) and K (Real estate, renting & business activities)
[12] "C" indicates that the data is confidential, according to NOMIS

3.6 While there is no consistent picture of Carlisle under-performing or out-performing in particular areas, we note that Carlisle remains substantially more dependent on Manufacturing that these comparators. We also note that Carlisle's under-representation in the 'Banking, finance and insurance etc' grouping is similar to that experienced in Lancaster and York – but that the picture is very different in Chester, where this grouping's share of employment is approximately twice that in Carlisle.

3.7 Further analysis of Carlisle's position in SIC sections J&K (Financial intermediation and Real estate, renting & business activities) grouping, relative to the 332 other districts/unitary authorities in England reveals that Carlisle position in these sectors is somewhat worse than the median location quotient (0.63 for Carlisle vs 0.77 median). For the 50 districts/unitary authorities with a working age population of between 55,000 and 65,000 (Carlisle's is 60,500), the median location quotient for these sectors is 0.67, indicating that Carlisle's position is somewhat worse than the average for areas of a similar size.

Figure 3-2 Carlisle's position in SIC sections J&K, vs other English districts/unitary authorities



Source: ABI. Axes are drawn at the median LQ of 0.77 and the median working age population of 68,400

Distribution of employment by size of workplace

3.8 The size of businesses within the economy is as important as the sectors in which businesses operate. Where a large proportion of the workforce is employed by a small number of large businesses, the risks to the wider economy if those businesses fail or re-locate is quite considerable.

3.9 As Table 3-2 below shows, the distribution of businesses (and employment) across size bands in Carlisle is broadly similar to that in both the North West and England, with only a number of minor variations.

3.10 Carlisle has somewhat lower than average employment in large sites of 200+ employees (25.0% of employment for Carlisle vs 30.6% for England), but somewhat higher than average

employment in the 11-49 employee sizeband (29.5% for Carlisle vs 24.7% for England). This is positive in that it leaves Carlisle somewhat less vulnerable than average to re-structuring decisions by major employers, but potentially negative in that large companies (especially multinational companies) tend to have higher average levels of productivity than smaller companies in the same sector.

Table 3-2 Businesses by size band

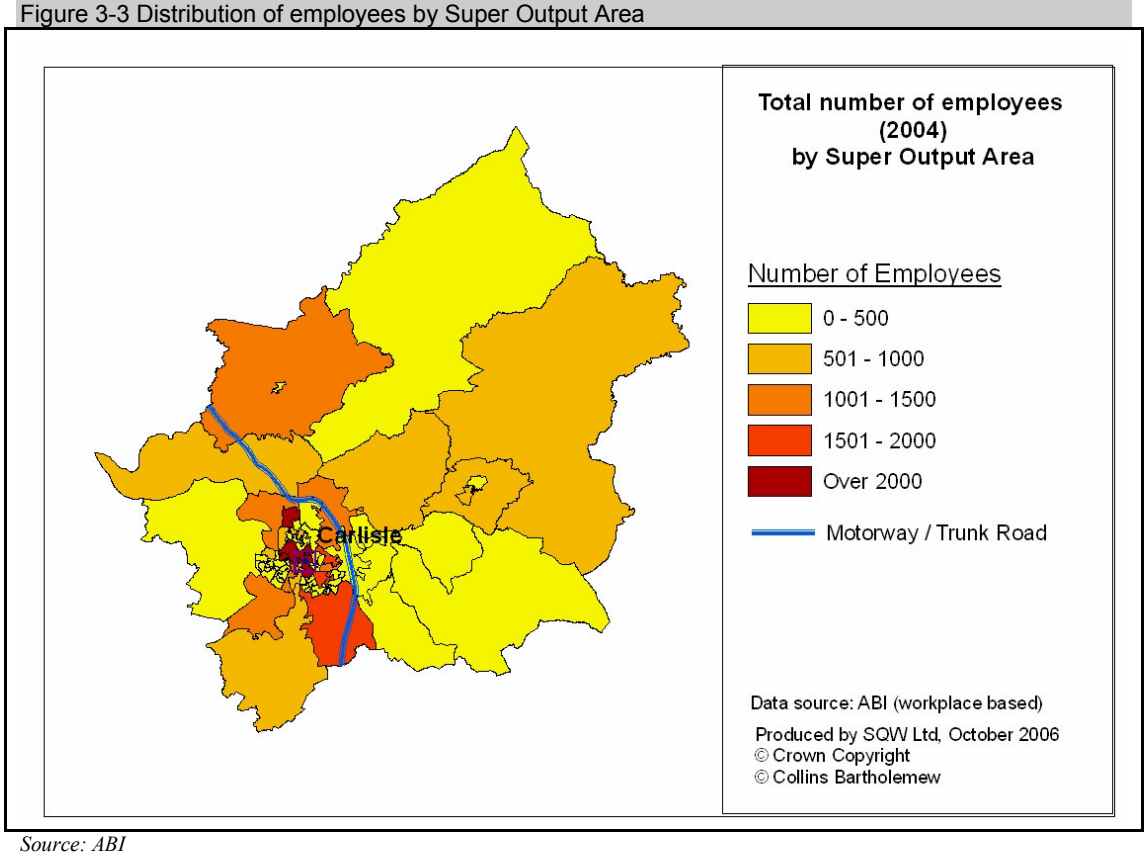
	1-10 employees		11-49 employees		50-199 employees		200+ employees	
	% of employee	% of business stock	% of employee	% of business stock	% of employee	% of business stock	% of employee	% of business stock
England	20.6	83.7	24.7	12.5	24.1	3.0	30.6	0.7
North West	19.2	81.2	25.2	14.4	24.7	3.5	30.9	0.8
Carlisle	21.0	78.7	**29.5**	17.0	24.6	3.6	**25.0**	0.8

Source: ABI

Geographic distribution of employment

3.11 Figure 3-3 below shows employment opportunities primarily concentrated in and around the Carlisle urban area, and along the M6/A74 corridor.

Figure 3-3 Distribution of employees by Super Output Area



Source: ABI

3.12 However, there is a substantial base of rural businesses; of the total 53,000 employees in Carlisle, approximately 22% are in rural wards, as shown in the table below.

Table 3-3 Employment levels in Carlisle's rural and urban wards (2004)

	Ward	Employment
Rural wards	16UDGH : Dalston	3,447
	16UDGT : Stanwix Rural	2,265
	16UDGP : Longtown & Rockcliffe	2,200
	16UDGD : Brampton	1,402
	16UDGX : Wetheral	865
	16UDGN : Irthing	540
	16UDGK : Great Corby and Geltsdale	420
	16UDGQ : Lyne	311
	16UDGM : Hayton	227
	16UDGE : Burgh	213
	Total rural employment	**11,890**
Urban wards	16UDGF : Castle	17,774
	16UDGJ : Denton Holme	4,345
	16UDGA : Belah	4,287
	16UDGL : Harraby	3,545
	16UDGG : Currock	2,922
	16UDGC : Botcherby	2,871
	16UDGB : Belle Vue	1,445
	16UDGU : Stanwix Urban	1,267
	16UDGS : St Aidans	1,170
	16UDGW : Upperby	519
	16UDGR : Morton	474
	16UDGY : Yewdale	355
	Total urban employment	**40,974**

Source: ABI

Clusters

Major employers

3.13 Examples of major employers in the Carlisle area are given in Annex A. These employers all make a substantial contribution to the Carlisle economy. However, as with any local economy, a number of the major employers are controlled by parent organisations headquartered elsewhere in the UK or overseas. It is estimated, for example, that three such major employers (McVities, Pirelli and Cavaghan & Gray) currently employ c. 4% of the

total working age population between them. In an era of increasing globalisation, this inevitably brings some risk of re-location of company operations at some point in the future.

3.14 It is important, however, to recognise that large employers do not simply look for the lowest cost location. Overall productivity and competitiveness are the overriding concerns, and these are influenced by the mix of skills, investment and labour relations, as well as wage levels.

3.15 Carlisle's economic strategy must be mindful of the risks associated with major employers' location decisions, and must serve to make the district as attractive as possible to such organisations – both to retain and develop existing major employers and to attract new inward investors.

High point industries in Carlisle

3.16 We define 'high point industries' as those that, at the level of 4 Digit SIC codes, employ over 0.2% of the workforce *and* have a location quotient of 1.25 or more compared with England. A full list of the business groups falling within this classification is given in Annex B.

3.17 The table demonstrates all those sectors where Carlisle can be described as having a specialism relative to England. We highlight four broad areas in which Carlisle appears to have significant clusters of high point industries:

- **Food production and processing** – within the Annex B list are a number of food production and processing classifications. Collectively, they represent a significant grouping which is well represented within Carlisle and could form the platform for future development.
- **Retail** – relating to the functional role as a centre within Cumbria, there are several retail activities that are represented to a greater extent than in England.
- **Transport** – Carlisle's geographic location close to the border between Scotland and England lends itself to certain transport and logistics activities, and a number of transport-related sectors are in the Annex B list of high point industries.
- **Other activities associated with Carlisle's role as a sub-regional service centre** – these include certain public sector activities, (such as hospitals, the largest employer within the high point industries for Carlisle), and postal activities. We note that the recent Local Government White Paper raises the prospect of councils seeking unitary status. Re-structuring proposals in response to this could potentially represent an opportunity for Carlisle in terms of clearer leadership and improved public sector productivity.

3.18 While it does not appear as a distinct cluster in this high point industry analysis, it is clear that **tourism** plays a substantial role in the Carlisle economy, with the Hotels sector employing more than 800 people, at a location quotient of 1.49. According to a 2005 survey, tourism generated £115 million for Carlisle's economy. Issues associated with tourism and the visitor economy are explored more fully in section 7 of this report.

Carlisle's position within the North West's priority clusters

3.19 Developing cluster programmes in priority sectors is a key transformational action in the new RES. This promotes the development of high value activity in the following sectors:

- biomedical (biotechnology, pharmaceuticals)
- energy and environmental technologies
- advanced engineering and materials
- food and drink
- digital and creative industries
- business and professional services.

3.20 Of these, Carlisle has significant strengths in one area (food and drink), but is currently under-represented in the others.

3.21 Within the Cumbria Vision Sub-regional Economic Action Plan (2006-2009), twelve priorities for action are identified. These include the need to develop competitive sectors with potential for growth**,** such as energy and environmental technologies, advanced engineering, food and drink, digital and creative industries and tourism, and improve the formation, survival and growth rates for enterprise through business support.

Voluntary sector

3.22 The voluntary sector in Carlisle is substantial. A diverse range of organisations provide services to local people around health and social care, money advice, skills and employment. Voluntary, community and self-help groups also increase opportunities for people to participate in their local community and contribute to local plans and activities.

3.23 Nationally the government is encouraging greater delivery of public services by voluntary sector organisations, allowing them to obtain more income from contracts and to become less grant dependent. Some voluntary sector organisations are actively pursuing the concept of social enterprise. Many such enterprises help to create employment opportunities for their service users.

3.24 Voluntary sector organisations play an important role in providing support to micro and single person enterprises - much of this work being targeted at socially excluded, disabled or rurally isolated groups.

3.25 Collectively, Carlisle Council for Voluntary Service (CVS) organisations report approximately 2,000 volunteers, and an annual income in excess of £143 million.[13] They employ 1,294 paid staff (552 full-time and 742 part-time).

[13] CVS membership data 2005/06 – note: some organisations work across Cumbria

Business formation and survival

Inward investment

3.26 According to the NWDA's inward investment team, nine firms invested in Cumbria in 2005/06, distributed across a variety of sectors, including environmental technologies, energy, electronics, advanced engineering and business services. Disclosure of capital expenditure is limited, but data from two of the nine companies indicates approximately £15.3m was invested in the sub-region in 2005/06. The number of inward investments has risen from four in 2004/05 (when disclosed capital expenditure totalled £5.9m) and six in 2003/04 (with a disclosed capital expenditure of £123.8m).

3.27 Capitalising on future inward private sector investment in Carlisle is identified as one of 45 Transformational Actions in the new RES, which encourages Carlisle to build on existing opportunities through developing a critical mass of knowledge-based businesses for example.

Shifts in the business base

VAT stock, registrations and de-registrations

3.28 Carlisle has demonstrated an impressive growth in VAT registration rates over recent years. De-registration rates have stayed low, enabling a considerable growth in business stock overall.

3.29 While many businesses trade below the VAT threshold, VAT registrations and de-registrations are useful indicators of trends in the business stock within an economy. A high registration rate (per 10,000 working age population) is an indicator of an entrepreneurial culture and high levels of business formation. Coupled with a low business de-registration rates, the result is a positive net change and a growing business base.

3.30 Table 3-4 below shows a significant growth in VAT registration rates in Carlisle over recent years. In 2000, the rate (36.1 starts per 10,000 working age population) lagged considerably behind that in both the North West (42.3) and England (53.0). However, between 2000 and 2005, the rate in Carlisle increased to 47.9, significantly above the rate in the North West (42.7) and much closer to that of England (51.0).

Table 3-4 VAT registrations, de-registrations and net change per 10,000 WAP, 2000-2005

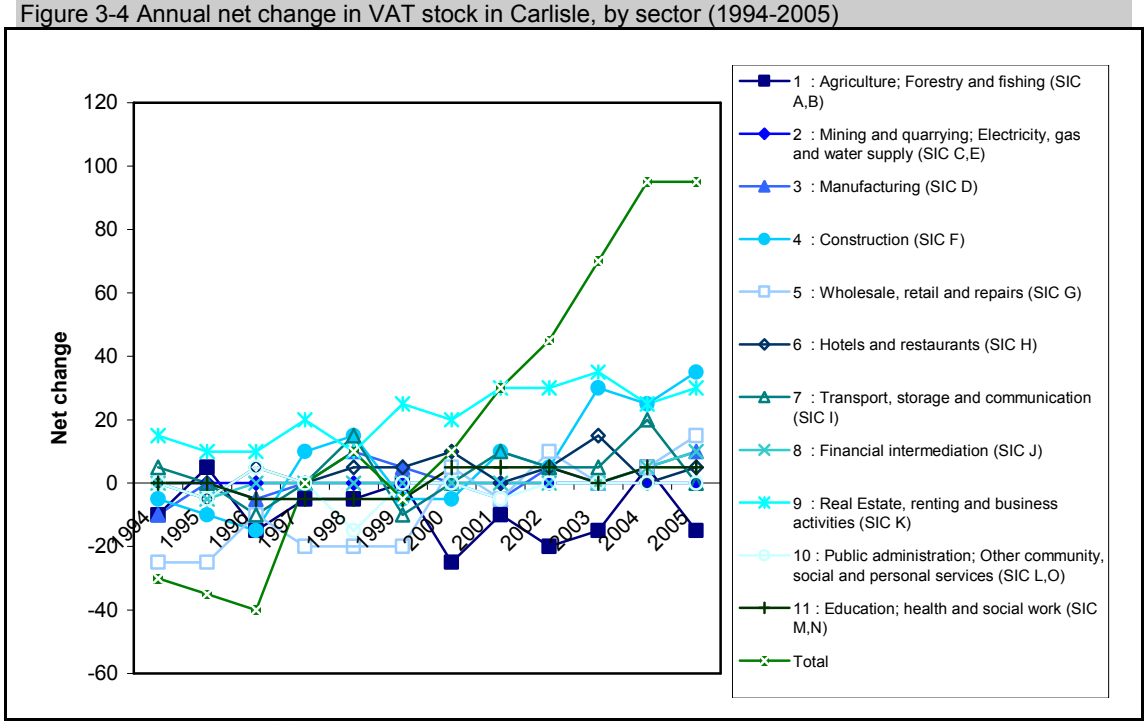
	Registrations			De-registrations			Net change		
Year	England	North West	Carlisle	England	North West	Carlisle	England	North West	Carlisle
2000	53.0	42.3	36.1	45.7	39.1	34.4	7.2	3.2	1.6
2001	49.8	40.6	40.2	45.5	38.2	33.6	4.3	2.4	6.6
2002	51.6	42.6	43.4	47.2	39.8	35.2	4.4	2.9	8.2
2003	55.5	46.5	48.8	47.8	39.0	36.4	7.8	7.5	12.4
2004	52.8	44.2	47.2	47.0	38.2	32.3	5.8	5.9	14.9
2005	51.0	42.7	47.9	43.6	34.8	33.1	7.3	7.9	14.9

Source: VAT registration and de-registrations (NOMIS)

3.31 At the same time, de-registration rates have stayed low, enabling a considerable growth in the balance between registrations and de-registrations. By 2005, 14.9 more businesses per 10,000 working age population were registered than de-registered in Carlisle; versus 7.3 for England and 7.9 for the North West.

3.32 Encouragingly, the highest net changes have been in relatively high productivity sectors of construction and real estate, renting and business activities, as shown below (over the longer period of 1994-2005).

Figure 3-4 Annual net change in VAT stock in Carlisle, by sector (1994-2005)



Source: VAT registration and de-registrations data (NOMIS)

3.33 This recent track record in businesses trading above the VAT threshold is very encouraging; it represents a significant strength for Carlisle and a real opportunity for continued economic growth and further diversification of the business base.

Reported job losses and gains

3.34 The Cumbria Economic Bulletin provides information on gains and losses of employment from individual businesses. The Bulletin reports half-yearly in March and September. The latest Bulletin, which covers the period of March to September 2006 shows that a minimum of 82 jobs had been created in Carlisle with a further 119 jobs reported as being created in Carlisle or another Cumbrian location. A total of 59 jobs had been lost representing a net gain of at least 23 jobs. The main points to note are:

- Border Toyota and Lexus (retail, 30 job gains); and 39 nurses jobs created, split between Carlisle and Workington hospitals
- Ken Hope Ltd. (real estate, renting and business activities, 34 job losses).

3.35 The March 2006 edition reported that, between September 2005 and February 2006 the number of job gains reported by businesses in Carlisle (244) exceeded job losses (90). The main shifts in employment were noted in the following businesses:

- McVities (manufacturing, 19 job losses); Littlewoods (retail, 21 jobs losses)
- Defra (public administration, 20 jobs gained); Cavaghan and Gray (manufacturing, 90 jobs gained), B&Q (retail, 67 jobs gained); Pizza Hut (hotels and catering, 35 jobs gained); Rouge (community, social and personal activities, 20 jobs gained).

3.36 For the previous year (September 2004 through to September 2005), however, the two Bulletins showed a very different picture. Overall, there were 489 jobs created but 1066 jobs lost – a net loss of 577 jobs within Carlisle. The major contributions to these figures are shown in the table below.

Table 3-5 Job gains and losses in Carlisle, September 2004-September 2005

Job Gains	Job Losses
Cavaghan and Gray (Manufacturing) – 85 job gains	Cavaghan and Gray (Manufacturing) – 660 job losses
Asda (Distribution trades, hotels and restaurants) – 60 job gains	Rathbones Bakeries (Manufacturing) – 82 job losses
Kingmoor Technical Services (Real estate, renting and business activities) – 37 job gains	Stead McAlpin (Manufacturing) – 62 job losses
Mitchell and Butlers (Distribution trades, hotels and restaurants) – 35 job gains	Central Plaza Hotel (Hotels and Restaurants) – 40 job losses

Source: Cumbria Economic Bulletins, March 2005 and September 2005

3.37 The job losses figure is dominated by the losses at Cavaghan and Gray, which is part of Northern Foods and which has food production sites in Carlisle and Hull. Restructuring led to the closure of one site with associated job losses, and the opening of a new site, with, to a smaller extent, some job creation.

Business survival rates

3.38 In addition to the high levels of business formation evident in Carlisle, Cumbria[14] as a whole also benefits form strong performance with regard business survival rates. For the number of businesses surviving one year and three years after formation, a higher percentage of businesses are still operating within the County than regionally and nationally.

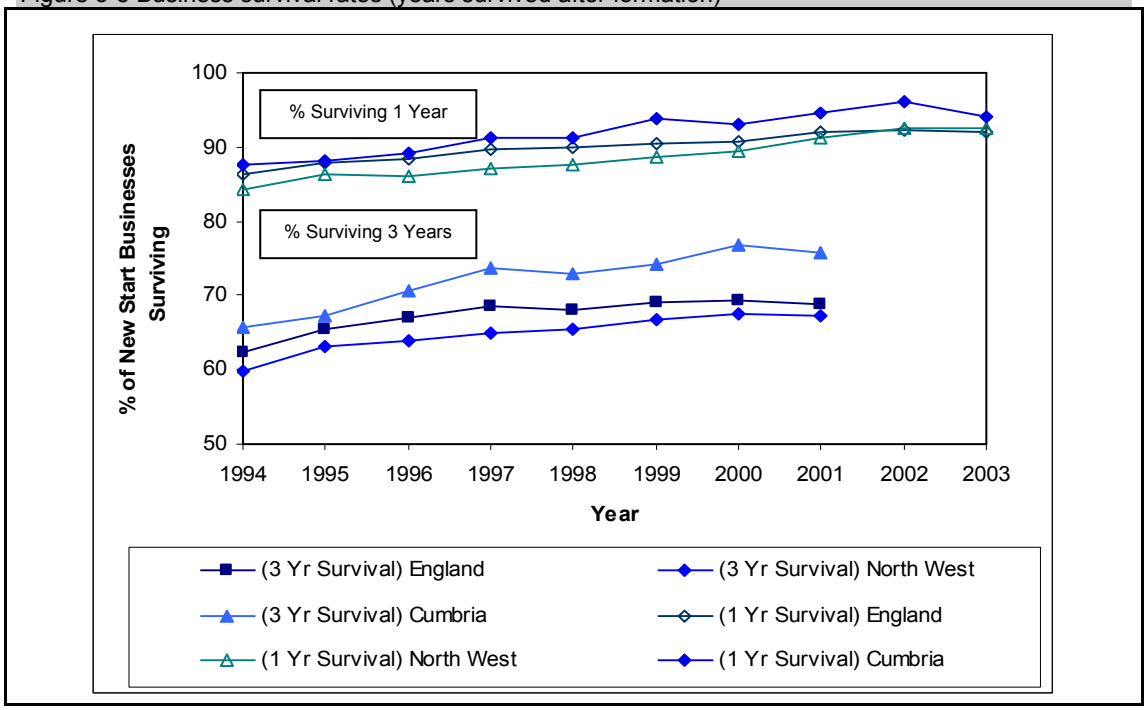
3.39 For businesses established in 2003, 94.1% were still operating in 2004 in Cumbria compared to 92.0% in England and 92.4% in the North West. For businesses established in 2001 and surviving to 2004, 75.9% in Cumbria are still operating, compared to 68.8% in England and 67.3% in the North West.

3.40 While this is a positive indicator, it is possible that this relatively high business survival rate may also reflect a higher prevalence of 'lifestyle businesses' in Cumbria – with owners and employees prepared to accept levels of earnings, profitability and growth that would perhaps

[14] Business survival data is provided by the Small Business Service (SBS) and is not available at the level of individual districts.

not be acceptable in less attractive parts of the country. These business survival rates need, therefore, to be treated with some caution.

Figure 3-5 Business survival rates (years survived after formation)[15]

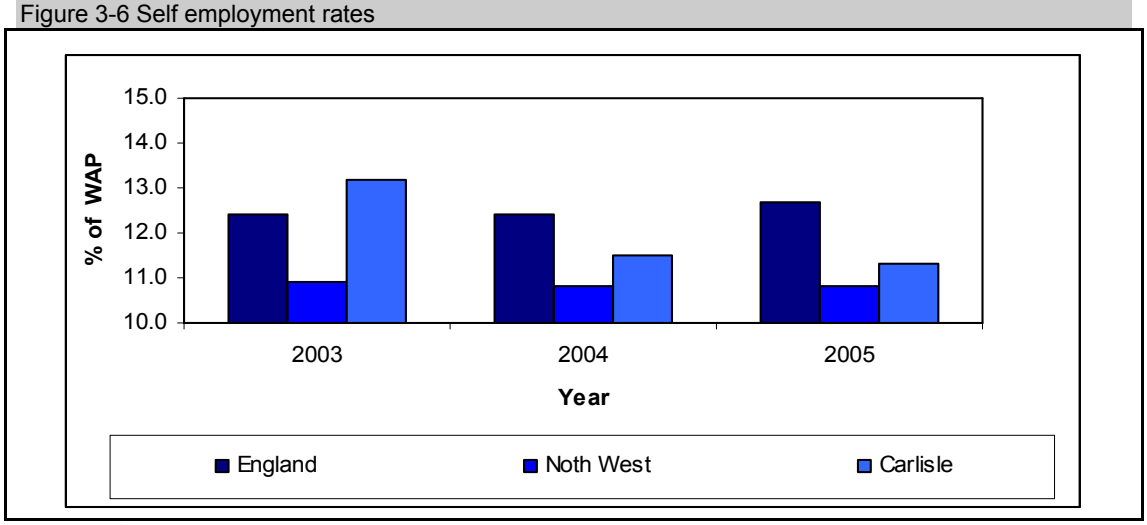


Source: Small Business Service

Self employment

3.41 Linked to the rate of business growth and in particular, entrepreneurship by individuals, are levels of self-employment.

Figure 3-6 Self employment rates



Source: Labour Force Survey (LFS)

3.42 As shown in the chart above, levels of self employment in Carlisle are broadly in line with the national and regional averages, given the uncertainties in the LFS estimates. In 2003, over 13% of the working age population in Carlisle were self-employed, a rate somewhat higher

[15] Years relate to the year in which the business was established – hence, data relating to three year survival rates is not available for later years.

than in England (12.4%) and the North West (10.9%). By 2005, the figure for Carlisle (11.3%) had dropped to below that of England (12.7%) but remained higher than that for the North West (10.8%).

Innovation

3.43 Table 3-6 shows the percentage of the workforce employed as science and technology professionals. The data shows that Carlisle has a lower percentage employed as science and technology professionals than either the North West or Great Britain. It also suggests however that there has been a notable rise between 2004 and 2005, bringing the percentage figures closer to the regional and national comparators. This change warrants further investigation, and we would welcome suggestions as to the potential causes for this increase.

Table 3-6 Percentage of workforce employed as science and technology professionals

	England	North West	Carlisle
2004	3.6	3.1	2.0 (900)
2005	3.6	3.1	2.8 (1,400)

Source: ABI

Research and development

3.44 The North West region invests one of the highest proportions of expenditure (as a % of GVA) on Research and Development. Much of this is a consequence of there being a number of important research establishments (e.g. BAE in Preston, Daresbury in Cheshire) and the strong research capability of some of the region's universities. Although co-location is not essential, it does assist in the transfer of technology awareness and understanding between research centres and the local economy.

Table 3-7 Gross domestic expenditure on R&D, % of total GVA

	UK	NE	NW	Y&H	EM	WM	E	L	SE	SW
1998	1.9	1.1	**1.9**	1	2	1.7	4.2	1.1	3.3	2.3
1999	2	1	**2.2**	1	2.1	1.6	4.3	1.1	3.4	2.1
2000	2	1	**2.1**	1	2.2	1.4	4.6	1.2	3.3	2
2001	2	0.9	**2.1**	1	2.2	1.3	4.6	1.1	3.6	2.1
2002	2	0.9	**2.2**	1.1	2.3	1.3	4.2	1.2	3.1	2.3

Source: Regional Competitiveness and State of the Regions, 2005, ONS

3.45 Unfortunately for Carlisle, it is physically remote from these centres within the North West and lacks a significant R&D infrastructure of its own. While this is a weakness for the Carlisle economy, it does not, of course, imply a complete absence of 'innovation' in the district. In particular, much real-world business innovation is ICT-related (particularly in terms of process innovation) – an aspect that is discussed further below.

Business usage of ICT

3.46 Business usage of Information & Communications Technology (ICT) is an important factor in the ability to increase productivity. As well as being an enabler for more effective and efficient business processes, ICT can play an important role in helping companies to access markets outside Carlisle, Cumbria and the UK.

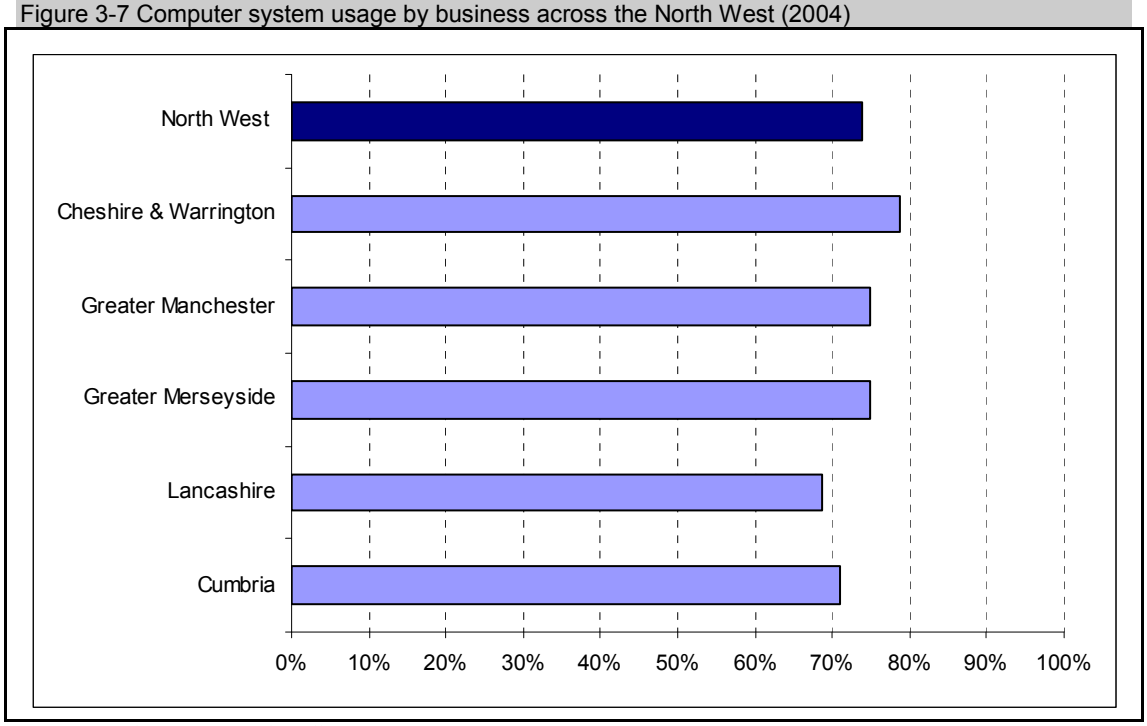
3.47 In Carlisle, ICT usage by businesses appears to be below the regional average, and increasing uptake will play an important role in raising productivity.

3.48 In 2004, the NWDA's Regional Intelligence Unit undertook a survey ICT usage by businesses in the region[16]. Data published at the sub-region level reveals that ICT usage in Cumbria is below the regional average (as illustrated in Figure 3-7), with a large proportion of businesses not using ICT systems because of 'no need' or 'a lack of perceived benefits'. In particular, it is the small firms (2-10 employees) and the self employed in Cumbria that exhibit below average ICT usage.

3.49 ICT usage is highest in Cumbria's real estate, renting and business activities (notably, one of the sectors recording the highest rates of business formation, as discussed above), although the proportion of businesses using ICT in this sector lags behind the regional average. ICT usage in Cumbria exceeds the regional average in health and social work, hotels and restaurants and community, social and personal activities; whereas it is below the regional average in education, construction and manufacturing.

3.50 If Carlisle is to raise the productivity of its businesses, there is a clear need to educate businesses on the benefits of ICT to encourage increased usage.

Figure 3-7 Computer system usage by business across the North West (2004)



Source: North West Regional Intelligence Unit – Business Survey

[16] NWDA RIU (2004) *Benchmarking ICT and E-Commerce and its Progress Across the Region*, http://www.nwriu.co.uk/showproject.asp?id=38

3.51 Recent estimates produced by Point Topic indicate that business usage of broadband in Carlisle (as of end 2005) was somewhat above the average for Cumbria, but below that for the North West and England, as shown below.

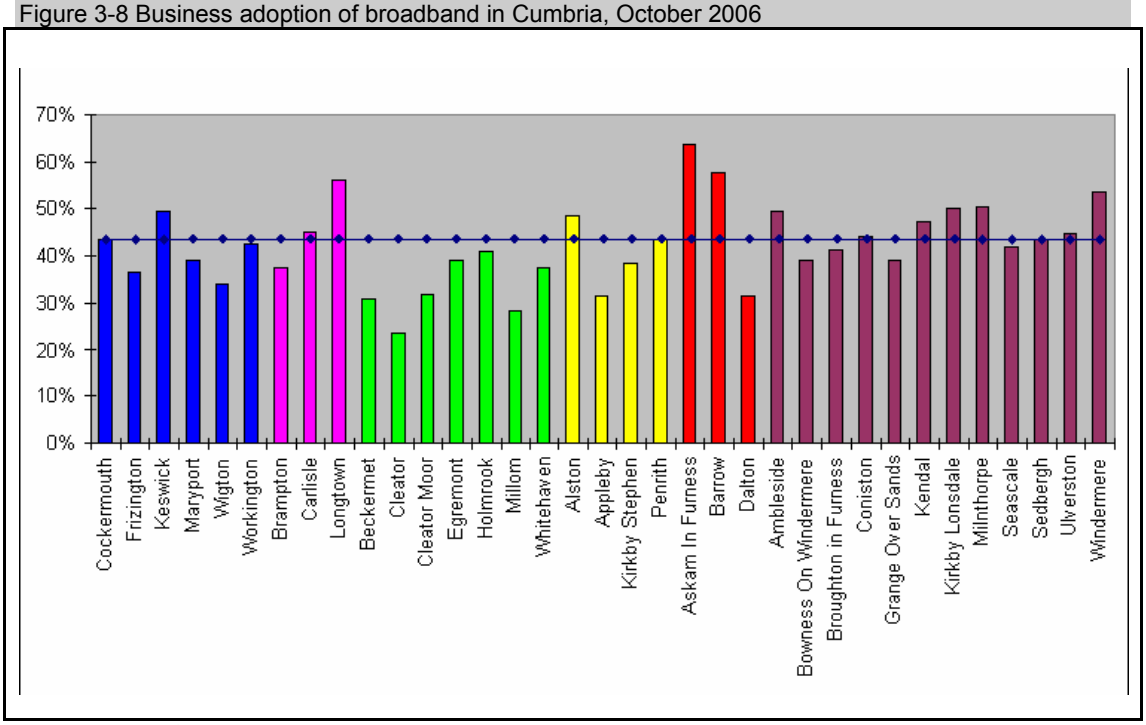
Table 3-8 Broadband take-up at workplaces

	End 2004	End 2005
Carlisle	45.6%	54.4%
Cumbria	43.5%	53.7%
North West	37.5%	62.1%
England	44.3%	62.3%

Source: Point Topic estimates

3.52 Data from Commendium indicates that, within the district, business adoption of broadband is highest in Longtown and lowest in Brampton, with urban Carlisle having a penetration rate just above the sub-regional average.

Figure 3-8 Business adoption of broadband in Cumbria, October 2006



Source: Commendium

3.53 Work is currently underway on the development of proposals for the Cumbria Digital Development Network, for which up to £3 million in NWDA funding is potentially available. This could play an important role in helping Carlisle businesses exploit the opportunities provided by ICT.

Enterprise support

3.54 Public sector support to businesses in Carlisle, Cumbria and the North West is currently in a state of flux, with the move to regional delivery of Business Link services from April 2007, at which point Business Link Cumbria will cease to exist. General web/telephone advice will be available from a team based in Preston, and 12 home-based advisers will provide in-depth

support to Cumbrian businesses – focused primarily on the North West's priority sectors. We have heard some concerns that this 'sectorisation' of in-depth support is not necessarily well-aligned to the needs of Carlisle and Cumbria.

3.55 In addition to Business Link, a variety of organisations provide support to enterprises and entrepreneurs in Carlisle. These include: Cumbria Chamber of Commerce and Industry, the Rural Women's Network, Princes Trust, Young Enterprise, Research and Creative Enterprise Services (RACES) at Cumbria Institute of the Arts, the Business Community Enterprise Unit at St Martin's College, the Longtown MTI project, Carlisle City Council, Cumbria Asset Reinvestment Trust, Carlisle Housing Association, and various voluntary sector organisations. Collectively we estimate that this involves something in the order of 20 full-time equivalent advisers.

3.56 In the Longtown area, the MTI project is able to offer business support grants, and the MTI team has found this – combined with a physical local presence - to be an effective means of engaging and developing relationships with businesses and potential entrepreneurs who would not consider calling on (mostly city-based) sources of public sector support.

3.57 In recognition of the potential benefits of scale and scope, and of sharing best practice, a group of partners including Cumbria Chamber of Commerce and Industry, Carlisle City Council, St Martin's College, and Cumbria Institute of the Arts is currently working up proposals to develop a new model for the delivery of enterprise, skills and innovation support across Carlisle district. This could potentially involve physical co-location of advisers from the various organisations, within an incubator/managed workspace building in Carlisle.

Summary SWOT – business

Table 3-9 Summary SWOT - business

Strengths	Weaknesses
• Relatively diverse economy, in terms of the spread of sectors and business sizes, providing some inherent stability in the face of industry cycles • Major existing food cluster on which to build • Other important strengths in transport, retail and sub-regional service centre functions • Relatively high recent rates of VAT registrations, combined with low de-registration rates, which results in growing business stock • Relatively high rates of business survival • Established business networks through the Cumbria Chamber of Commerce and Industry's affinity groups, such as LEAG, the Large Employers Affinity Group • Substantial voluntary sector activity	• Employment is currently dominated by relatively low productivity sectors • Under-representation of businesses in SIC sections J&K (Financial intermediation; Real estate, renting and business activities), which are the UK's strongest economic growth areas • Lack of research and development base • Relatively low ICT usage amongst businesses • Fragmented enterprise support, with little sharing of best practice between support organisations
Opportunities	**Threats**
• Opportunities for increased business-HE interaction, through the establishment of University of Cumbria and its distributed learning network, headquartered in Carlisle • Opportunities for obtaining regional support for developing key clusters – both in areas where Carlisle is already strong (the food cluster), and in areas where Carlisle needs to address weaknesses (e.g. digital and creative industries, and business and professional services) • Opportunities associated with addressing climate change, including the reinvigoration of local markets, and opportunities associated with nuclear energy • Opportunities for Carlisle businesses to access markets outside Carlisle/Cumbria/UK, enabled by better use of ICT • Potential for the Cumbria Digital Development Network to bring substantial resources to the exploitation of ICT by Carlisle's businesses • Opportunities for growing tourism-related business • Opportunities for improvements in public sector leadership and productivity, through potential re-structuring in response to the Local Government White Paper	• Potential shocks to the Carlisle business base, from major employer re-structuring/re-location decisions • Potential further employment reductions in the (relatively high productivity) manufacturing sector • Impact of EU Common Agricultural Policy reforms on Carlisle's agri-food sector (though this could also present opportunities) • Risks associated with the Business Link restructuring, which is built around the North West priority sectors – most of which are not well represented in Carlisle • Risks associated with a potential move to localisation in response to the need to reduce carbon emissions, given Carlisle's relative remoteness from major centres of population

4: Skills and education

4.1 This section of the report offers an analysis of the current state and future provision for skills and education development in Carlisle. The analysis explores the current skills profile, education provision (secondary schools, further and higher education sectors), skills shortages, plus current initiatives (underway or being developed) that will impact on the skills and education agenda.

Current skills profile

4.2 Carlisle is performing better than the North West and Great Britain in terms of the proportion of working age people with no qualifications, and is broadly in line with the regional and national averages in terms of NVQ1 and NVQ2 level skills However, as shown in the table below, there are concerning deficiencies in terms of higher level skills – both at NVQ3 (A levels and equivalent) and NVQ4+ (degree equivalent and above).

Table 4-1 Qualification levels, 2005 (percentages refer to the proportion of the working age population)

	Carlisle (numbers)	Carlisle (%)	North West (%)	Great Britain (%)
NVQ4 and above	13,100	21.7	24.2	26.5
NVQ3 and above	21,000	34.7	42.4	44.4
NVQ2 and above	35,900	59.3	62.0	62.9
NVQ1 and above	46,200	76.3	76.7	77.2
Other Qualifications	6,500	10.7	6.2	8.4
No Qualifications	7,800	13.0	17.0	14.3

Source: Annual Population Survey

4.3 Specifically, the proportion of the working age population with NVQ3+ skills is almost ten percentage points below the national average (34.7% vs 44.4%), and the proportion with NVQ4+ skills is almost four percentage points lower (21.7% vs 26.5%). Efforts to encourage higher value-added activity in the Carlisle economy will undoubtedly be impacted by the absence of these higher level skills.

4.4 Steps need to be taken to ensure that individuals and employers have the skills that they need for social and economic sustainability and development, with emphasis currently being placed on improvement in progress amongst adults to Level 2 and beyond. LSC Cumbria plans to reduce by at least 40% the number of adults in the workforce who lack an NVQ level2 or equivalent qualification, by 2010.

4.5 The need for increased provision of adult skills training is recognised in the Cumbria Local Area Agreement, and partners will need to deliver a step-change in provision if Carlisle is to improve the level of employment opportunity.

Basic skills

4.6 In 2003 DfES commissioned a Skills for Life (SfL) survey of the English population to establish an evidence base for structuring future SfL provision[17].

4.7 In terms of literacy, the proportion of the population of Carlisle estimated to have Entry Level skills (below low level GCSE) was significantly below (i.e. better than) both the regional and national levels. However, this was balanced out by a reversal of proportions at Level 1 standard.

4.8 Carlisle fared worse in numeracy, for which the proportion of the population of Carlisle at Entry Level was higher than both the regional and national levels, while the proportion having Level 2+ numeracy ability was six percentage points below the regional and eight percentage points below national standards.

4.9 In terms of ICT skills, Carlisle was estimated to be similar to the regional standard, but worse than the national skills level (39% having Level 1+ skills in Carlisle, versus 47% for England).

Table 4-2 Proportion of interviewees having defined skill levels[18]

		Carlisle	North West	England
Literacy	Entry Level	11%	18%	16%
	Level 1	47%	42%	40%
	Level 2+	42%	41%	44%
Numeracy	Entry Level	53%	49%	46%
	Level 1	30%	28%	28%
	Level 2+	17%	23%	25%
ICT skills	Entry Level	61%	59%	53%
	Level 1+	39%	41%	47%

Source: Read Write Plus: Modelling the Skills for Life Survey, 2003. Sample: 8,730 Adults (16-65) across England

4.10 Strategic action is being taken at the county level to develop sector specific action plans to tackle basic skills needs, with the pro-active support of all public sector agencies.

4.11 As part of the LSC Cumbria strategic area review (STAR), a sector skills report "Skills needs in Cumbria" was produced as a means of boosting employer engagement towards meeting identified skills shortages in local priority sectors. As a consequence sector action plans have been created as part of initiatives to more appropriately identify employer demand and more effectively target future skills investment.

4.12 Skills for Life adult training need in Cumbria is above the national average, and continued development of skills provision for adults remains a priority[19]. LSC Cumbria proposed a 17%

[17] Source: Read Write Plus: Modelling the Skills for Life Survey Sample: 8,730 Adults (16-65) across England

[18] Entry Level = below low level GCSE (D-G grades); Level 1 = low level GCSE (D-G grades); Level 2 = high level GCSE (A*-C)

[19] LSC Annual Plan 2006/07

increase in funded FE basic skills places (2003/4 to 2005/6) and a 25% increase in funded work-based learning places, with target increases in success rates rising from 40% to 55%[20].

Young people's skills (14-19)

4.13 Cumbria's young people are benefiting from an improved work based learning infrastructure resulting in increased competitiveness for the local economy.[21]

4.14 Work-based learning success rates for young people in Cumbria have increased from 38% in 2001, to 51% in 2004.

4.15 The implications are that more and better vocational training provision is available and that in certain sectors it is meeting the needs of local employers. In other sectors, however, there is a failure of young people to complete formal apprenticeship training.

4.16 The proportion of young people not in education, employment or training (NEET) in Cumbria is falling, suggesting a higher current or future contribution towards the growth of the sub-regional economy. Only 6.7% of 16 to 19 year olds in Cumbria were not in education, employment or training in 2005, which is better than the national position and represents a steady improvement[22].

4.17 However, figures from Connexions indicate that the proportion of young people in jobs without training in 2005 was significantly higher than both the county and England averages, as shown in the table below. This reflects the availability in Carlisle of low wage employment opportunities for people of school-leaving age, but is a concern in an era of globalisation, with low-skill work increasingly being moved to low-cost economies.

Table 4-3 Percentage of young people in jobs without training in 2005

Area	% young people in jobs without training
Carlisle	11.6%
Cumbria	7.6%
England *(average)*	6.6%

Source: Connexions Cumbria

4.18 The high employment/low wage economy has a major impact on many young people in the Carlisle area, leading over the past 25 years to increasingly poor levels of engagement for low achieving pupils. This is seen by some as a major factor behind increasing social disorder in some urban areas.

4.19 A key challenge for the secondary school reorganisation in Carlisle will therefore be to raise the aspirations of Carlisle's young people, and to support engagement with learning in deprived communities.

[20] LSC Annual Plan 2005/06
[21] LSC Annual Plan 2006/07
[22] OFSTED Annual Performance Assessment of Cumbria County Councils Education and Children' Social Services 2005

4.20 LSC, Connexions and other partners operating in this area have been successful in utilising Objective 3 funding to put in place successful outreach programmes to engage with potential NEETs and secure higher levels of participation with training programmes.

Secondary education

Educational attainment

4.21 Levels of GCSE educational attainment in Carlisle are below the national average. The proportion of 15 year old pupils gaining five or more GCSE subjects at A*-C in Carlisle was 54.0% in 2005, which was in line with the regional average (53.9%), but significantly below the England average (56.3%).

4.22 According to the recent consultation document, sixth form standards were above a national benchmark in two schools, close to the average in one, and below average in the other four[23].

4.23 Average achievement in Cumbria at A-level (286.2 average points score per candidate in 2005) is higher than the regional average (273.7) and the national average (277.8), and improvements continue to be made to success rates in work-based learning[24]. However, there is significant variation between schools in Carlisle, which to an extent reflects the socio-economic profile of their respective catchment areas. Amongst Carlisle's eight maintained secondary schools, average points scores per A-level candidate in 2005 ranged from 189.3 (North Cumbria Technology College) to 315.9 (William Howard School).

4.24 Carlisle has the lowest proportion of young people aged 16 entering education and training in Cumbria, which will impact upon the potential to drive higher knowledge-based employment levels within the local economy – one of the drivers behind the proposed restructuring of secondary education in Carlisle, discussed below.

4.25 Whilst higher than average employment rates in the city for young people is one factor in the lower local proportion of young people not entering education and training, low levels of demand by employers for higher skilled employees and personal aspirations are other factors impacting on education and training entry levels[25].

Schools

4.26 There is considerable variation between the achievement and attainment performance of Carlisle's secondary schools. For example, Table 4-4 gives a comparison of the 2005 achievement and attainment performance of Carlisle's secondary schools at Key Stage 3, along with averages for both Cumbria and England. There is significant variation between schools in the district in all subjects..

4.27 Whilst variations in performance reflect, to some extent, differences in the socio-economic profiles of school catchment areas, the current situation is clearly unacceptable: three of

[23] *Planning 11-19 education for the Carlisle area: a consultation document, 2006*
[24] *ONS/LSC Cumbria Action Plan 2006/07*
[25] *LSC Cumbria Action Plan 2005/06*

Carlisle's eight maintained secondary schools have been put into 'special measures' over the last two years (Morton, Newman and North Cumbria Technology College).

Table 4-4 Carlisle secondary school Key Stage 3 attainment, 2005

Secondary School	No. eligible pupils	% achieving Level 5 or above			Average Points Score
		English	Maths	Science	
Lochinvar	39	67%	54%	46%	30.3
North Cumbria TC	94	47%	60%	46%	30.4
Newman	115	40%	50%	44%	30.9
Morton	148	57%	62%	55%	32.3
St Aidan's	299	78%	70%	66%	33.8
Trinity	294	87%	79%	79%	35.9
Caldew	177	83%	81%	79%	36.3
William Howard	240	84%	89%	88%	37.0
LA Average		**77%**	**75%**	**73%**	**34.8**
England Average		**74%**	**74%**	**70%**	**34.5**

Source: DfES Annual Performance Statistics 2005

4.28 In addition to the above state secondary schools, private education at secondary level is available at Austin Friars St Monica's School, which claims to be the top co-educational school in Cumbria (6th out of 51 Cumbrian schools for GCSE results, and 2nd out of 39 for A level results), and at Lime House School near Dalston.

Further and higher education

FE provision

4.29 Future development proposals should improve the quality and quantity of Further Education supply in Carlisle and provide scope for increased participation and opportunity for local citizens.

4.30 Carlisle College is a general further education (GFE) college, serving the post-16 education and training needs of North Cumbria. The college campus, located in Carlisle, is the only GFE College within a 35 mile radius of Carlisle, although some FE provision is available from Cumbria Institute of the Arts (see below) and the Adult Education Centre located on the Trinity School campus. Development at the Carlisle College campus is ongoing and there are proposals for the College to host the 14-19 years Centre on its site.

4.31 Current FE provision in Carlisle is primarily vocationally-focused and concentrated on delivery at Levels 1 and 2: 83% of learners aged 16 to 18 years and most adults are enrolled on courses at these levels[26].

[26] *OFSTED Inspection Report March 2006*

4.32 Ofsted recently judged the College to be 'satisfactory' across most inspection areas and 'good' in terms of the engineering and manufacturing technologies area. Achievement success rates generally had improved since the previous inspection in 2003 and inspectors noted that "vocational programmes produce high quality work and develop good practical skills which are valued by employers".

4.33 Further FE provision in the City of Carlisle is available from the large Adult Education Centre based at Trinity School plus the network of Community Development Centres at Upperby, Kingmoor, and Pennine Way. Between them, these four centres have c. 1,000 part-time further education funded learners, with approximately 40% of these being pre-Level 2 learners. In addition, there are another 900 learners on non-accredited courses, run out of the Adult Education Centre at Trinity.

4.34 LSC Cumbria proposed funding a 2.6% increase in 16-18 year old FE provision between 2003/4 and 2006/7, increasing the number of FE places to 6,455 by March 2007[27]. It is recognised that effective strategies are required to remove the barriers to participation in FE, through provision of an appropriate mix of quality further education opportunities, however the loss of sub-regional autonomy of the LSC in Cumbria could affect the ability to secure investment.

HE provision

4.35 The main providers of Higher Education (HE) within Carlisle are UCLAN, St Martin's College and the Cumbria Institute of the Arts, all due to become partners in the creation of the wider University of Cumbria in 2007 (see below, under major initiatives).

4.36 St Martin's College is the major provider of HE in Cumbria and currently has plans to have over 1,000 students based in the city.

4.37 UCLAN took over the Carlisle campus from the University of Northumbria and currently offers a range of courses in Law, Business and Computing, many of which can be augmented by subjects reflecting the economy and character of the region (e.g. tourism or outdoor pursuits).

4.38 The Cumbria Institute of the Arts became an HE institution in 1997, having previously focused on FE provision. The Institute specialises in art, design, media, performing arts and music, through a combination of part and full time courses at levels ranging from foundation, through diploma to FE and HE at level 3 and above.

4.39 Carlisle and Cumbria have relatively low proportions of resident graduates and high proportions of people with apprenticeship-based qualifications, meaning that skills-led economic growth seems unlikely to match that in areas of the UK, with higher levels of qualification[28].

4.40 Significant numbers of young people leave Carlisle for HE purposes and the lack of suitable employment opportunities means that a high proportion do not return, upon completion of their studies. The result is a significant under-representation of NVQ level 4+ skills in the

[27] OFSTED Inspection Report March 2006
[28] *2004 Employer Survey – Cumbria Economic Intelligence Partnership.*

local economy. Apprenticeship and lower level skills predominate, and amongst those currently at levels 2 and 3, there is a low propensity to move towards higher qualifications.

Skills shortages

4.41 Skill shortages in Cumbria[29] are impacting the growth potential of some medium size companies that could have the potential to drive the future economic success of Cumbria.

4.42 The 2004 Employer Survey (Cumbria Economic Intelligence Partnership), highlights that 18% of Cumbrian companies cited skills shortages and 15% general labour shortages, as being a constraint to their growth. Evidence is that these constraints were particularly impacting medium sized companies (25-99 employees), perhaps at the growth stage in the business lifecycle.

4.43 The proportion of businesses in Carlisle reporting skills gaps, however, fell significantly between 2002 and 2004, reducing from over 8% to around 4%[30]

4.44 Trend data based on previous Cumbria Employer Surveys indicates that the level of difficulty in filling vacancies is reducing, there is a lower expectation amongst companies regarding future skills difficulties and frequency of skills gaps is also declining[31]. 5% of Cumbrian employers report a current hard-to-fill vacancy compared to the England average of 8%[16]. Only 1% of Employers are reporting that hard-to-fill vacancies are due to applicants not having the correct skills.

4.45 At the sub-regional level, employers have reported the following skills shortages in specific sectoral and occupational areas[32]:

- Manual trade skills in manufacturing (craft and technician skills gaps in existing workforces rather than recruitment difficulties), construction (recruitment difficulty and skills gaps), retail (skilled butchery and bakery trades especially), and hotels and restaurants (chefs and food preparation trades).
- Personal service occupations in the health and social care sector, where lower grade nursing and care assistant jobs are a source of recruitment difficultly (although this is a national issue, rather than Cumbria specific).
- Business and professional services sector, where there is a cluster of recruitment difficulties and skills gaps in professional, technical and administrative grades.

4.46 We have heard anecdotal evidence of the public sector and business services firms finding it difficult to attract professionals to live and work in Carlisle. Reasons appear to include a relative lack of career progression opportunities, a lack of after-work city centre bar culture, and difficulties in finding suitable employment for spouses/partners.

[29] Note that skills shortages data is not available at the Carlisle level.
[30] *2004 Employer Survey – Cumbria Economic Intelligence Partnership.*
[31] *2004 Employer Survey – Cumbria Economic Intelligence Partnership.*
[32] The Economy of Cumbria (2005) An Analysis of the 2004 Employer Survey. A paper prepared by Philip Roe (Head of Policy Unit, BMG Research) for the Cumbria Economic Intelligence Partnership to supplement the 2004 Economic Assessment, March 2005.

4.47 The implication of the skills shortages identified above is that growth may be restricted in certain sectors. Investment in training and up-skilling the workforce is essential if currently low value added sectors are to raise their productivity, and key high value sectors (such as business and finance sector) are to grow.

4.48 However, on the demand side, one threat may be that a low value added industrial structure does not demand many higher level skills, making the economic incentive for individuals to invest in their own personal development relatively weak.

4.49 The Sector Skills Development Agency (SSDA) and the UK's 25 Sector Skills Councils (SSC) have an important role to play in identifying and reducing sector skills gaps and shortages, and boosting workforce productivity. Both the SSDA and the SSCs operate on the basis of regional presence, and undertake a broad range of activity to develop the regional and sector analytical capacity and evidence base.

Current major initiatives

Restructuring of secondary education

4.50 Cumbria County Council recently (17th October 2006) considered proposals for a fundamental restructuring of 11-19 education in Carlisle[33].

4.51 Extensive consultation has taken place on four potential options for re-shaping 11-19 education in the city, reflecting a combination of a projected 20% fall in secondary pupil numbers by 2017, a corresponding 33% over-provision of places and the need for significant improvement in achievement and opportunities for young people.

4.52 The Council's cabinet approved plans to progress an option that would:

- seek to establish an Academy based on the site of St.Aidan's County High School, and close St. Aidan's and North Cumbria Technology College
- close Lochinvar School, Longtown from the end of the summer term 2008, add its catchment area to that of William Howard School, Brampton, and increase William Howard's capacity to accommodate ex-Lochinvar pupils
- seek to decrease Trinity School's overall capacity to 1,500 pupils
- support the development of a 14-19 Centre in the middle of the city, to serve all young people in that age group in the Carlisle area.

4.53 The Government has earmarked £30 million for the development of secondary education facilities in Carlisle, as part of the wider regeneration proposals following the floods in the city in January 2005. If funding for an Academy is successful, the total investment in Carlisle's secondary education could exceed £60 million.

[33] Cumbria County Council: Cabinet Paper No.7, for Meeting 17th October 2006 and "Planning 11-19 education for the Carlisle area" – consultation document

4.54 This will provide the opportunity to create a city centre 'Learning Village' - an educational campus for Carlisle. This would be a major enabler for Carlisle's aspirations to be a 'Learning City', and would offer learners access to the full range of courses, reducing barriers to learning and providing greater choice and opportunity, owing to more effective collaboration between Trinity, Newman, St. Aidan's, Carlisle College, the 14-19 Centre and the University of Cumbria.

Cumbria 14-19 Pathfinder

4.55 The Cumbria 14-19 Pathfinder was established in January 2003 as one of 25 in a national programme to test local delivery of 14-19 education and training in a range of settings.

4.56 In Cumbria, the County Council has been the lead body. The emphasis has been on

- exploring a range of approaches to e-learning and development of online learning opportunities, particularly in the rural areas.
- mapping and publishing all 14+ learning and progression routes up to Level 4
- developing practice to sustain individual learning planning from Year 9
- promoting collaboration and extending learner involvement in identification and development of provision.

4.57 Achievements include the establishment of the www.futures4me/cumbria website, which helps potential learners find suitable local courses.

14-19 Centre

4.58 As noted above, there is a proposal to create a 14-19 Centre in the middle of the city.

4.59 Learners would go to the centre for parts of their learning programme, but would still 'belong' to the school, college or work-based learning provider where they have enrolled. The centre would be jointly managed by partners involved in the provision of 14-19 learning.

4.60 It is envisaged that the second phase of the £10m building programme for Carlisle College will include a proposal for a 14-19 Centre.

University of Cumbria

4.61 Addressing future HE provision represents one of the key potential drivers of Carlisle's future economic performance, and will create opportunities for more local people.

4.62 As noted in LSC Cumbria's Action Plan, 'Poor higher education provision in Cumbria means that the majority of young people who pursue higher education leave the area'[34].

[34] *The Youth Labour Market in Cumbria: Employer and Young People's Perspectives*, LSC Cumbria, September 2002

4.63 The partners in the proposed University of Cumbria have made a strong case to national and regional representative bodies, arguing the case for a university on economic, social and educational grounds, culminating in the Harris Report to HEFCE in September 2005.

> *'The aim is to improve access to higher education through a collaborative network of institutions centred in Carlisle, with hubs in other parts of the County. The network will involve: the University of Central Lancashire, Cumbria Institute of the Arts, Lancaster University, St Martin's College of Higher Education, the Open University, Carlisle College, Furness College, Kendal College and Lakes College. A group of major stakeholders in the County, including the higher and further education institutions, Northwest Regional Development Agency, LSC Cumbria, Cumbria County Council and Cumbria Vision will now work with the HEFCE to take the vision forward'*[35].

4.64 The proposed university is included as a Transformational Action (No. 38) within the new North West Regional Economic Strategy. The proposal is to form the new university in August 2007, through the amalgamation of St Martin's College, Cumbria Institute of the Arts and UCLAN's sites in Carlisle and Penrith. The new university will have more than 15,000 students across sites in Cumbria, Lancashire and London.

4.65 A business plan for the University of Cumbria was finalised in November 2006, and has been submitted to the NWDA, HEFCE, LSC and Cumbria County Council for consideration. It envisages a distributed learning network for the university, maximising the potential of HE and FE campuses across Cumbria.

4.66 A key opportunity for Carlisle will be the establishment of the university's headquarters and the School of Business, Enterprise and Law, within the context of the wider Carlisle Renaissance initiative.

4.67 Via its distributed learning network, the university will provide wider economic opportunities through employer engagement and through spotting and filling gaps within the wider sub-regional business support infrastructure.

4.68 As the university expands its portfolio over time, it is likely to play an increasingly important role in retaining and attracting talented young people. This will have impacts in raising the availability of higher-level skills in Carlisle and Cumbria, and in increasing the vibrancy of the city's cultural and leisure scene.

Bringing Regeneration Home

4.69 Carlisle Housing Association set up the 'Bringing Regeneration Home' project to help improve the quality of life for local, unemployed people by assisting them to get back into employment, training or learning.

4.70 Courses include:

- 'Building a Future' - a full time 13 week construction course, in which trainees are paid by Carlisle Housing Association and work under supervision getting practical

[35] *LSC Cumbria Action Plan 2005/06*

experience within empty properties. Trainees are then moved on to paid placements with local employers for a further 26 weeks.

- 'Motivation to Work' - a lead in to the Building a Future course, in which trainees work towards an OCN Level 1 qualification. The course gives people the skills that they need to successfully find work and keep it.

Summary SWOT – skills and education

Table 4-5 Summary SWOT – skills and education

Strengths	Weaknesses
• Pockets of high performance at certain state schools and independent schools • Improvements in work based learning and vocational skills attainment • Improvements in the level of 'Skills for Life' basic skills provision and success rates	• Three of the eight maintained secondary schools have been put into 'special measures' over the last two years • GCSE attainment levels below national averages • A relatively low proportion of Carlisle 16 year olds continue with education and training. A relatively high proportion of young people are in jobs offering no training. • Relatively low levels of higher level skills (NVQ3+ and NVQ4+) in Carlisle's working age population • Many people with higher level qualifications leave the area for education/jobs elsewhere • Limited and fragmented HE provision • Relative lack of graduate employment opportunities in Carlisle • Difficulties in attracting professionals to live and work in Carlisle • Skill shortages in key sectors of the local economy (engineering, technical and construction)
Opportunities	**Threats**
• Potential for enhancing the quality of provision and therefore pupil outcomes from major improvements in Carlisle's secondary education, through the re-structuring proposals • Prospect of enhanced participation, scope and quality of FE provision, following the major investment in Carlisle College buildings • Future development of Carlisle Learning Village proposals, including the proposed 14-19 Centre, and engagement of more local businesses in skills and education development • The creation of the University of Cumbria and its wider sub-regional distributed learning network providing local young people improved and expanded HE provision locally and attracting talent from outside the county	• Changes to regional delivery of Learning and Skills Council may reduce sub-regional influence on future investment • Risk of delays in implementation of Carlisle Renaissance proposals, impacting on future secondary school restructuring • Risks of too many expectations being placed on the University of Cumbria – the new university will take time to become established, and the economic benefits will take time to come through

5: People and jobs

5.1 This section of the report addresses the 'people and jobs' dimension of Carlisle. The local economy has experienced quite significant change in the structure of the employment and economic activity more generally. The relationship between these employment shifts and the local population is of fundamental significance to the area's future competitiveness.

Employment

Travel-to-work patterns

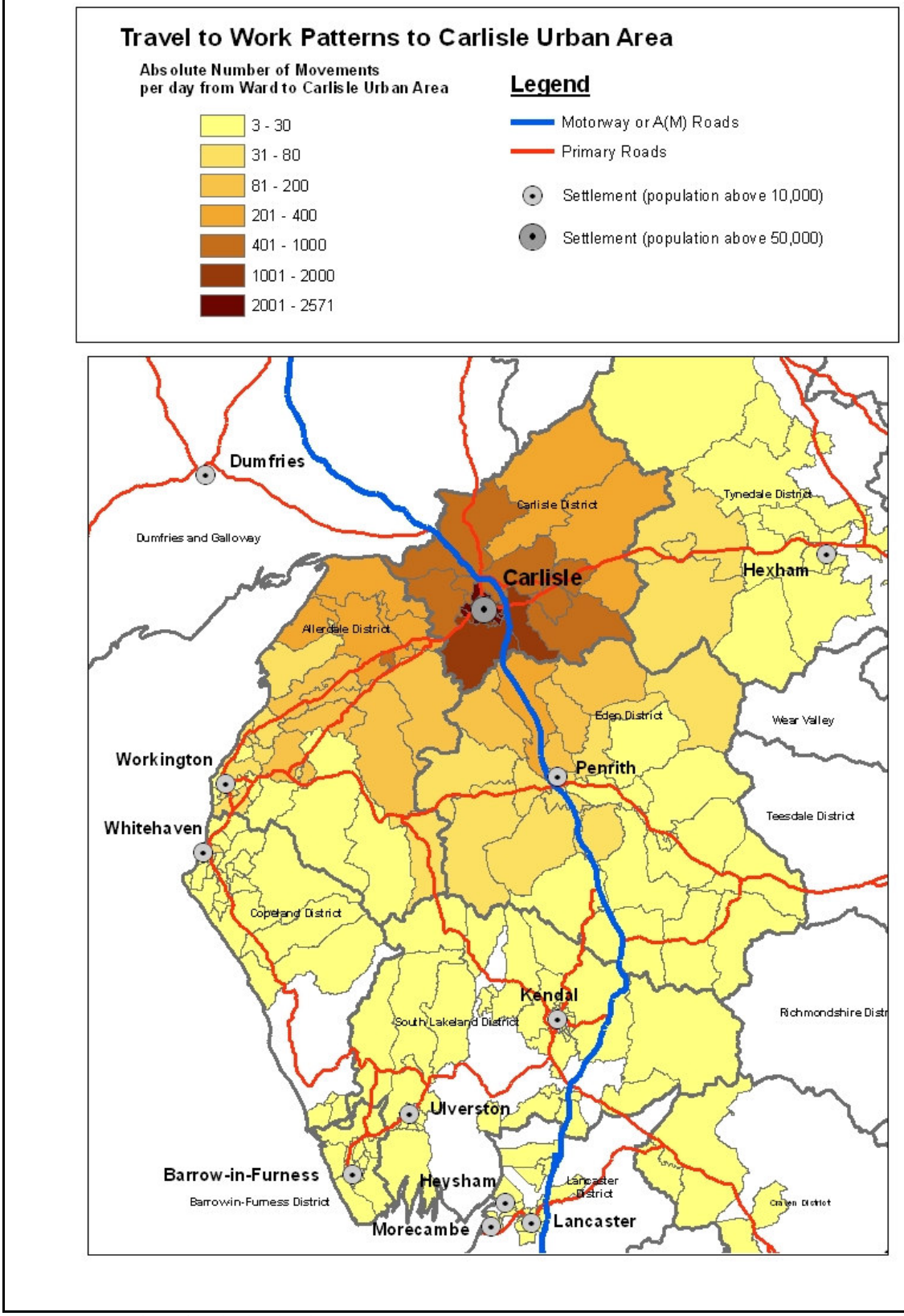
2.13 In setting out to develop an economic strategy for Carlisle, it is important to understand the broader area over which the city has influence in employment terms. This goes well beyond the administrative district boundary, and includes parts of the wider sub-region, the North West, the North East, and Southern Scotland.

2.14 The map below illustrates the numbers of people per ward commuting on a daily basis to employment in Carlisle's urban area.

2.15 Note, however, that this map is based on data from the England and Wales Census 2001 – it does not therefore include data for Scotland. We would expect Carlisle's travel to work area also to extend well into Dumfries and Galloway, plus parts of the Scottish Borders.

2.16 In addition to the employment effects of such movements there are likely to be economic advantages accruing to Carlisle in terms of these commuters' spending in the city - taking advantage of retail or leisure facilities, for example.

Figure 5-1 Numbers of people travelling to work in Carlisle's urban area, by ward

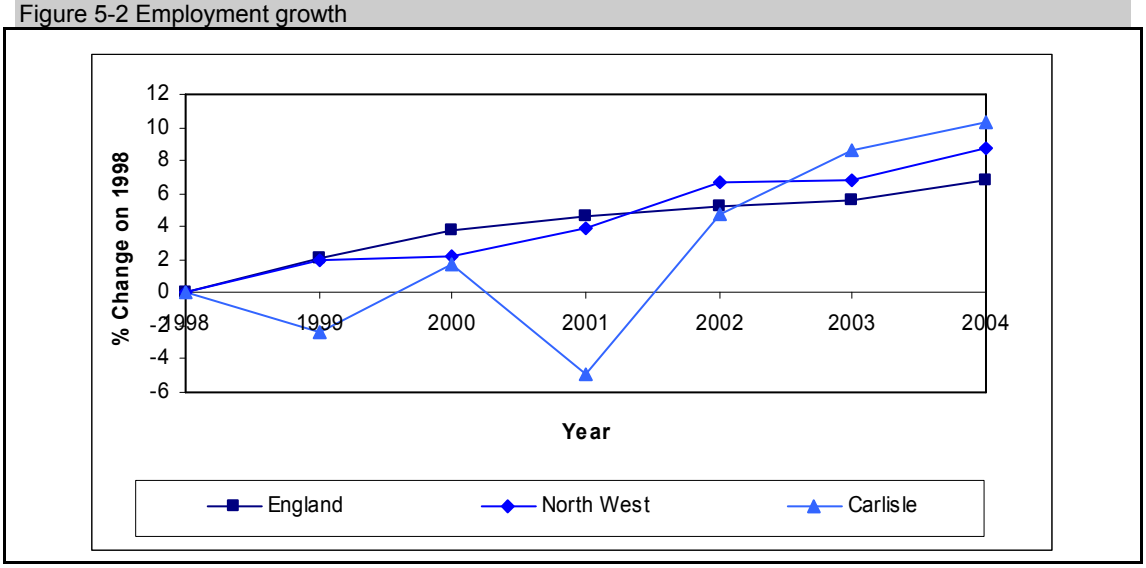


Source: SQW analysis of England and Wales Census 2001

Employment growth

5.2 Despite concern over job losses, employment and self employment have performed strongly at a time of pressure on the local economy, indicating that there is a stronger labour market than first appearances might suggest.

Figure 5-2 Employment growth



Source: ABI

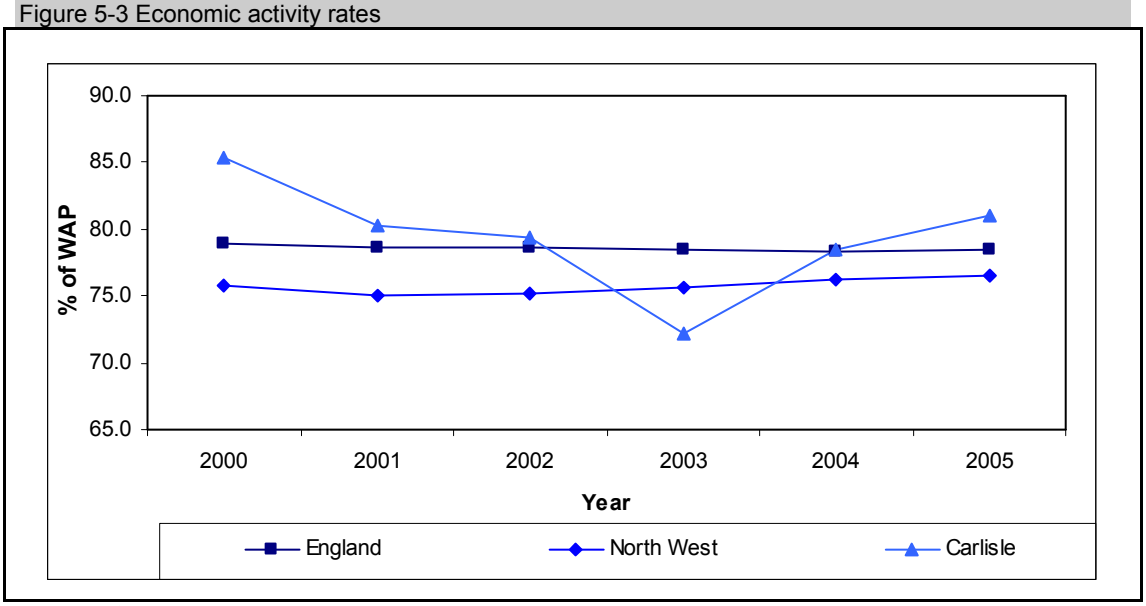
5.3 There are difficulties associated with changing methods of measuring employment which make assessing any trend difficult and the chart above shows a number of notable variations (with the drop in 2001 potentially attributable to an ABI data error). The latest estimates indicate that over 53,000 people were employed in Carlisle in 2004.

5.4 Around 11% of the work force is self employed. While below the national average this figure has consistently been higher than that for the North West. Self employment has varied between 10-13% of the work force over the past five years.

Economic activity rates

5.5 Economic activity levels (see Figure 5-3) are a useful indicator of the strength of the local labour market. They include self employed, employed and students. The levels for Carlisle are above the national average, standing at 81% of all working age people, which is four percentage points above the average for the North West.

Figure 5-3 Economic activity rates



Source: Labour Force Survey

5.6 Note the dip in the estimated economic activity rate for Carlisle in the year 2003. This warrants further investigation, bearing in mind that the error margins for LFS estimates of economic activity rates at local levels are relatively large (e.g. +/- 5%, at the 95% confidence level).

5.7 There is a significant disparity by gender, with 77% of women being economically active compared with 84% of men, as of 2005.

Occupations

5.8 Carlisle has higher concentrations of professional occupations (14.1%), Customer services (11.9%) and plant/machinery operators (10.3%) than across Cumbria (9.6%, 8.6% and 10.2% respectively), the North West (11.4%, 8.5% and 8.4%) and Great Britain (12.1%, 8.0% and 7.7%).

5.9 However, the district has lower levels of skilled trades (9.6%) and associate professional/technical employees (6.2%) than Cumbria (14.2% and 12% respectively), the North West (11.2% and 12.8%) and Great Britain (11.4% and 13.8%).

5.10 The jobs held by men and women show distinctive contrast. Just under half of all male jobs are in two industrial groupings. Some 12,500 men work in manufacturing and distribution, hotels and restaurants. The performance of these groupings is therefore central to the future of male employment in Carlisle. By comparison, 70% of female jobs are found in distribution and related industries or in the public sector.

Worklessness

Unemployment

5.11 Traditionally experiencing unemployment rates below the national average, Carlisle had an unemployment rate of 2.3% in January 2006.

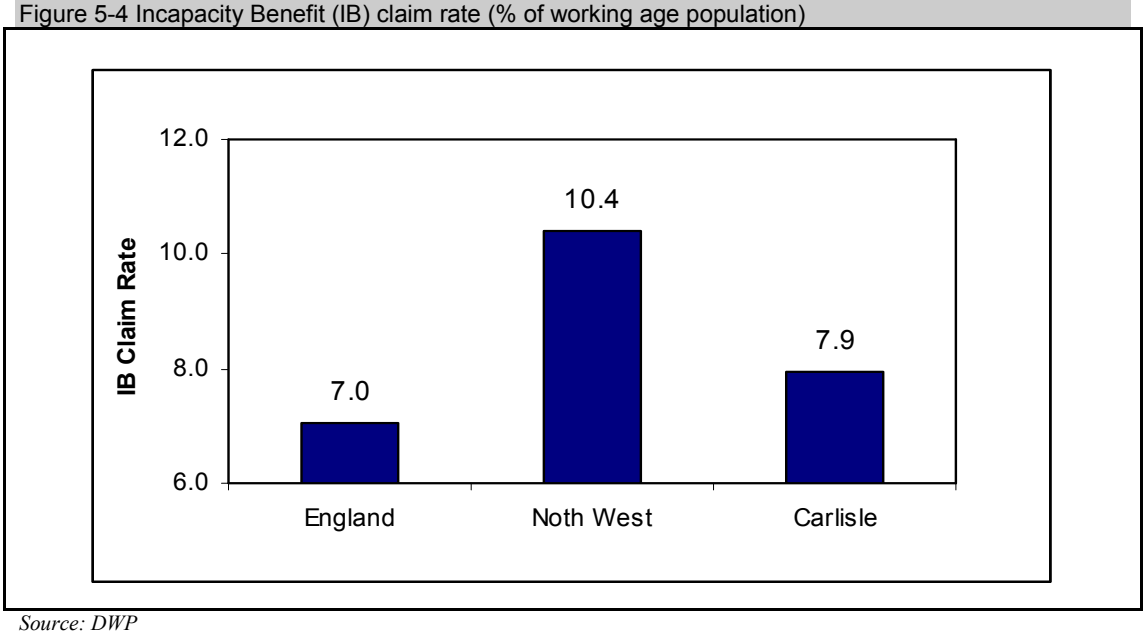
5.12 While unemployment rose in 2005, increasing in line with the rest of Cumbria but at a rate below the national average, the number of people out of work was just under 1,500 by the start of 2006[36]. There has also been concern expressed over the growth in the numbers of long term unemployed, albeit from a relatively small base. It needs to be borne in mind that the area experienced, and recovered from, high levels of unemployment in the late 1990s.

5.13 Vacancies can be a useful measure of the health of a local economy. In Cumbria they are influenced by the seasonal pattern of certain types of employment, notably in tourism. In Cumbria the claimant count to vacancy ratio in January 2006 was 4.2, while in Carlisle it was 3.8, compared to a ratio of 7 in Whitehaven. This indicates a relatively high prospect of gaining employment for Carlisle's unemployed.

Incapacity benefit

5.14 Though total numbers and the proportion of the population on incapacity benefit are a less intractable issue than in larger urban areas, they still however represent a challenge for Carlisle, if it is to address the impact in economic terms.

Figure 5-4 Incapacity Benefit (IB) claim rate (% of working age population)



Source: DWP

5.15 The proportion of those on incapacity benefit in Carlisle has remained relatively static. In 2000, some 8% of the working population claimed this benefit. This figured varied by 1-1.5% in subsequent years before settling back to its current 7.9%. This level is at or around the average for England but 2-2.5% below that for the North West as a whole.

Health

5.16 The general picture of health in Carlisle is one where indicators show a better position than the region but worse than the England average. For example, the proportion of individuals with a limiting long term illness is two percentage points below that for the North West and one percentage point above that for England. Life expectancies for both men and women are

[36] *Monthly Unemployment Briefing, Cumbria Economic Intelligence Partnership, July 2006*

slightly above the regional average, and slightly below the national average. The Standardised Mortality Ratio for Carlisle is significantly above the average for England, but below that for the North West.

Table 5-1 Selected health indicators

	Carlisle	North West	England
People of working age with a limiting long-term illness (Apr01) %	14.45	16.40	13.29
General health: Good (Apr01) %	67.40	66.88	68.76
Life Expectancy at Birth, Males (Jul03), years	75.70	75.10	76.55
Life Expectancy at Birth, Females (Jul03), years	80.70	79.70	80.91
Standardised Mortality Ratio (2003) (UK=100)	106	110	99

Source: ONS Neighbourhood Statistics

5.17 However, these averages hide the marked variations in health across the district. As shown below, three wards (Upperby, Botcherby and Castle) are amongst the 10% most deprived wards in England in health terms.

Deprived areas

5.18 Along with Cheshire, Warrington and Lancashire, Cumbria has a lower proportion of its population claiming income support than the average for England.[37]

5.19 For the most deprived 20% of local authority wards the share of those families on income support in Cumbria is 22%. This is four per cent below the figure for England and six per cent below the regional position.

5.20 However, Carlisle does have areas experiencing severe deprivation, and tackling this will be key in addressing the district's economic fortunes.

5.21 As shown in the table below, six Carlisle wards are amongst England's most deprived 20% of wards, according to the overall Index of Multiple Deprivation, and two (Upperby, Botcherby) are in the most deprived 10%.

Table 5-2 Deprivation indicators by ward (ranks out of 7,936 wards in England; red=in the worst 10%; blue=in the worst 20%; green=in the worst 30%)

Ward Name	National Indices of Depriv-ation 2004 Rank	Income Rank	Employ-ment Rank	Health Rank	Educ-ation Rank	Barriers/ Access-ibility Rank	Crime Rank	Living Rank
Upperby	**640**	658	393	473	260	7,925	2,409	2,954
Botcherby	**691**	699	586	570	543	7,616	1,203	1,723
Castle	**924**	1,587	535	353	2,090	7,906	1,589	532
Morton	**1,439**	2,449	1,050	1,093	554	7,880	3,334	897

[37] *State of the Northwest Economy, Sub-regional Report, REFP, August 2005*

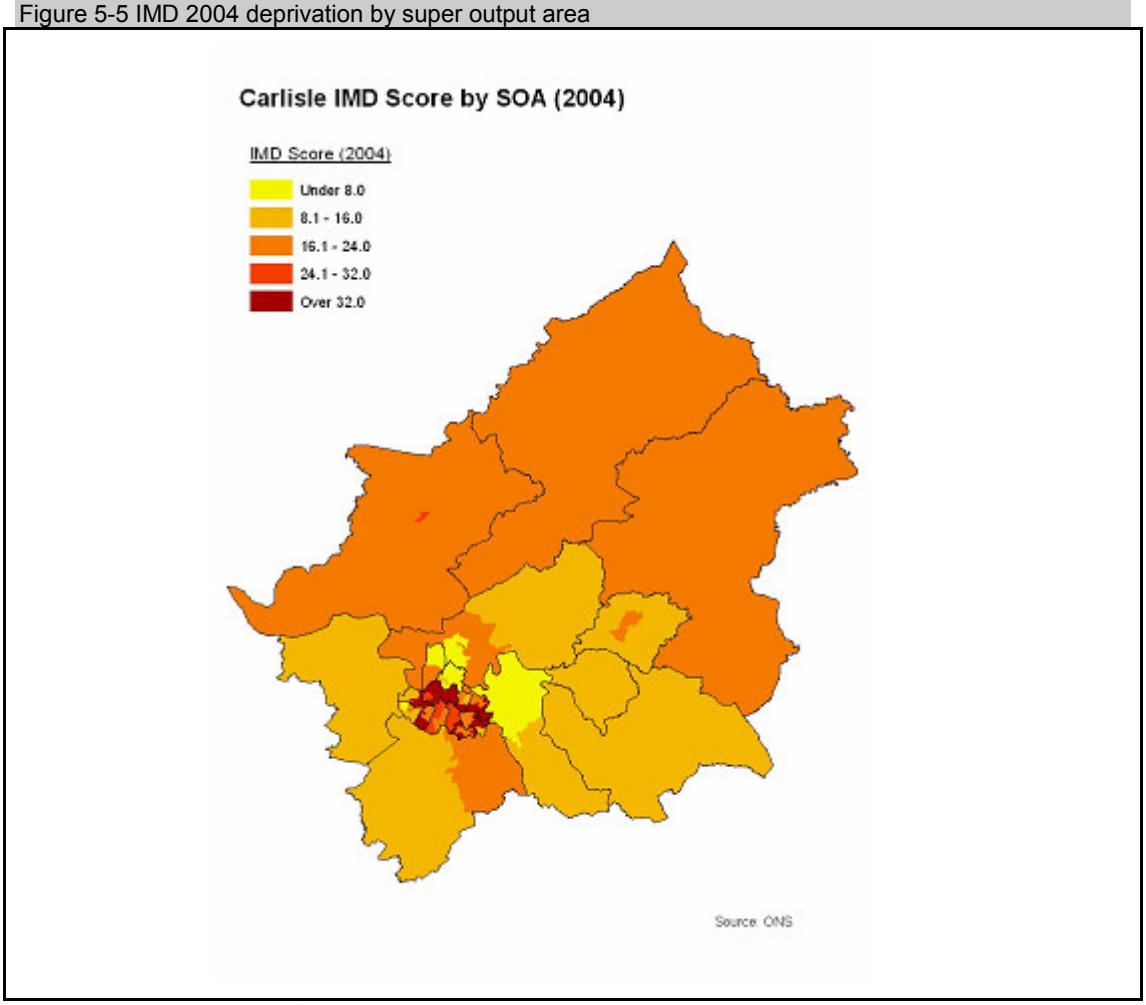
Ward Name	National Indices of Deprivation 2004 Rank	Income Rank	Employment Rank	Health Rank	Education Rank	Barriers/ Accessibility Rank	Crime Rank	Living Rank
Harraby	**1,526**	2,390	1,267	1,242	799	7,692	2,308	827
Currock	**1,540**	1,690	1,613	1,327	1,245	7,913	901	1,375
Belle Vue	**1,606**	1,461	1,000	1,003	1,448	7,478	3,809	5,044
Denton Holme	**1,713**	1,947	1,423	1,121	1,719	7,464	2,173	1,569
St Aidans	**1,783**	2,494	1,657	1,332	2,628	7,930	734	713
Longtown & Rockcliffe	**2,058**	2,837	2,164	1,790	1,142	3,253	4,229	2,249
Brampton	**2,966**	2,861	2,493	1,979	3,304	6,071	2,656	3,259
Lyne	**3,117**	6,622	4,540	4,094	4,241	119	7,610	1,631
Irthing	**3,300**	6,047	4,283	3,807	6,487	167	6,870	1,918
Dalston	**3,655**	6,043	3,534	2,526	4,136	1,710	4,607	3,004
Yewdale	**4,202**	4,905	2,788	2,229	2,688	7,354	4,244	7,379
Stanwix Rural	**4,339**	5,046	4,805	3,451	5,070	1,200	6,694	4,394
Belah	**4,563**	4,094	3,488	2,767	3,789	6,525	5,721	4,236
Burgh	**4,688**	7,514	4,769	4,010	5,302	684	7,136	3,456
Hayton	**4,911**	5,699	3,566	3,224	6,316	2,449	4,046	6,258
Great Corby and Geltsdale	**5,221**	7,509	6,173	4,406	7,144	653	5,437	3,092
Wetheral	**6,438**	7,372	5,795	4,086	7,178	2,433	4,464	5,747
Stanwix Urban	**6,862**	6,600	5,129	3,404	6,901	7,766	5,493	5,520

Source: Carlisle City Council analysis of IMD 2004 data

5.22 The map below illustrates that the most deprived areas of Carlisle are concentrated in the southern part of the urban area.

5.23 Of particular concern locally is the need to identify and deliver engagement opportunities for young people within Carlisle's deprived communities - for example, through the provision of sports or cultural facilities, to help provide purpose and to help avoid engagement in anti-social behaviour. The use of non-employment engagement with young people is also seen by many operating within the skills and education sector as another means of seeking to increase the proportion of post-16 young people taking advantage of further training or learning opportunities.

Figure 5-5 IMD 2004 deprivation by super output area



Source: SQW analysis of ONS data

5.24 A comprehensive Carlisle Economic Renewal Action Plan to tackle deprivation in Carlisle South was put together in 2004, encompassing five projects:

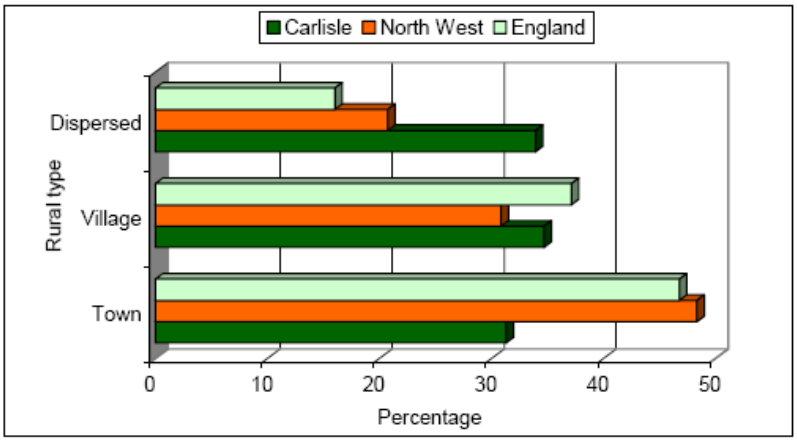
- Enterprise, Training & Learning Communities – Bringing Regeneration Home
- Sustaining Neighbourhood Employment – A Capital Investment Strategy
- Stimulating Retail and Business Growth
- Enhanced Capital Programme
- Cavaghan & Gray: Redundancy Response and Recovery

5.25 This plan sought £8.4 million from the NWDA for a three year programme of activity starting in April 2005. However, the events of January 2005 led to this proposal not being progressed in the light of the need to develop a wider city regeneration agenda in response to the floods. While some of the envisaged activities went ahead in some form (e.g. Bringing Regeneration Home), it will be important for the economic strategy to recognise and help to address issues of severe deprivation in Carlisle.

Rural deprivation

5.26 The Carlisle district has a 'split personality'; it is dominated by the City, and has aspirations for urban renaissance, yet in spatial and cultural terms it is a rural borough. As illustrated below, c. 29% of people live in rural areas in Carlisle, compared with 12% in the North West. Of those that live in rural areas, 34% live in sparse rural areas.

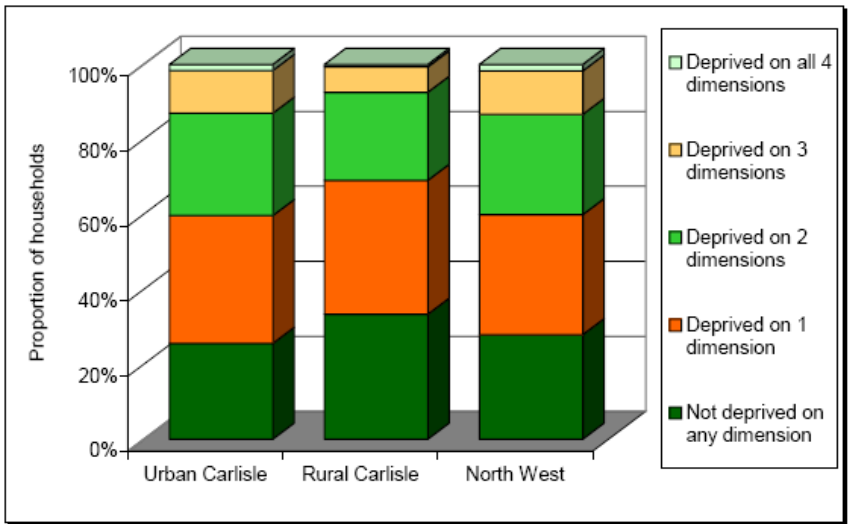
Figure 5-6 Proportion of the population of the Authority living in rural towns, villages and dispersed areas compared with the North West and England



Source: DEFRA Rural Evidence Hub

5.27 As shown in Figure 5-7, rural Carlisle has comparatively fewer households showing some dimension of deprivation[38] than urban Carlisle and the North West as a whole.

Figure 5-7 Comparison of household deprivation in urban and rural parts of Carlisle and the North West as a whole



Source: DEFRA Rural Evidence Hub

5.28 However, amongst the rural wards, Longtown & Rockcliffe is amongst the most deprived 30% of wards in England on the overall IMD measure, and in the most deprived 20% in terms of education.

[38] The four dimensions considered are: employment, education, health & disability, and housing.

5.29 Furthermore, the sheer size of the administrative area, the dispersed population and the limited number of service centres across the rural area create substantial operational challenges for service providers (although the few rural service centres do offer many quality of life assets and have potential to deliver a much higher contribution to the economic performance of the district as a whole).

5.30 While some of Carlisle's rural wards do not appear to be particularly deprived on the overall IMD measure, they do face significant issues in terms of barriers and accessibility (with four rural Carlisle wards being amongst the most deprived 10% by this measure).

5.31 In all areas of service provision, rural Carlisle fares worse than the regional average.

Table 5-3 Access to services for rural households in Carlisle vs. rural households in the North West

Services	% households within 4km - Carlisle rural households	% households within 4km - North West rural households
GP	51.0	87.3
Bank	59.4	75.5
Post Office	93.3	98.6
Libraries	57.7	83.1
Petrol Station	83.5	92.6

Source: DEFRA Rural Evidence Hub

Demographic changes

5.32 Cumbria has a population of just fewer than half a million people making it a sparsely populated area with a population density of 73 people per square kilometre, a quarter of the average for England as a whole.

5.33 Carlisle, with its own population of 105,000 has a higher population density at 100 people per square kilometre, but this is still only a third of the national average.

5.34 Carlisle's population is just under a fifth of the county's total, making it the largest of the seven Cumbria districts. While Carlisle is an employment centre of strategic significance, it has a relatively small labour market and a thinly populated hinterland from which to draw a labour force. Furthermore, there are limited opportunities for Carlisle residents to commute to work elsewhere, given the distances to major centres of population.

Population growth

5.35 Carlisle has experienced a recent substantial growth in population, contrary to regional trends. The North West has experienced a decline in its population during the 20 years to 2002. This fall of 2% contrasts with growth in Cumbria of 1.3% over the same period.

5.36 Carlisle experienced quite strong population growth in the early and mid 1990s. This tailed off and the population declined until 2001, with recent growth taking it back to its levels of ten years ago at around 105,000 people in total.

5.37 Recent population growth has been quite substantial. It showed an increase of 4% in the period from 2000-05. This increase is well above regional average of just over 2% for the same period and reflects levels of net inward migration. With Carlisle's working age population declining over the same period, it appears likely that many of these migrants are retired people and/or people approaching retirement.

5.38 If trends in births, deaths and migration over the past five years continue into the future, the Office of National Statistics estimates that Carlisle's population will increase to approximately 125,000 people by 2029.

Ethnic mix

5.39 Carlisle has a very small ethnic community; the district is disproportionately white in make up with over 99% of its population categorised as such. This compares with a figure of 94% for the region and 90% for England.

5.40 Whilst small in numbers, the proportion of minority ethnic groups accessing FE and technical training is significantly higher than their 1% share of the total local population.

5.41 Ethnic migration into Carlisle from Eastern European countries is a topical issue. Estimates from local sources indicate that over 1,500 workers from Poland have arrived in the city since accession to the EU in 2004. Many of these migrants are well educated, skilled and enthusiastic workers, competing with local residents – including residents of Carlisle's deprived wards – for lower skilled or low-paid employment, at or near minimum wage levels.

5.42 The presence of Eastern European migrants can also create other strains locally in terms of provision of public services and low cost housing, and in terms of money leaving the local economy to support family members still living in their country of origin.

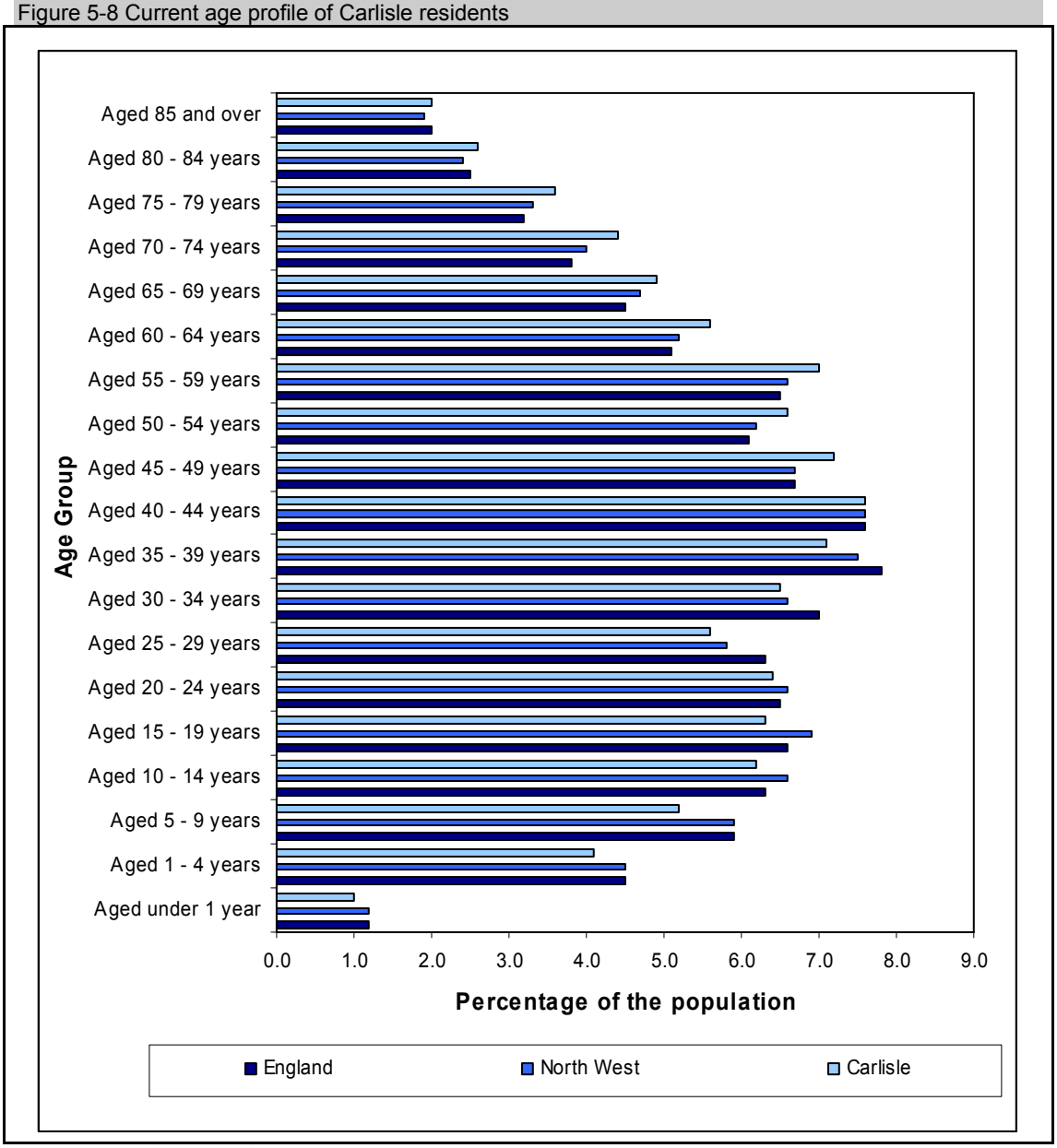
5.43 Managing these strains, and recognising and optimising the positive economic and cultural contributions of these migrants, will be a major challenge for the district's civic leaders.

Age mix

5.44 In common with other areas, Carlisle's ageing population has implications for recruitment, skills development and staff retention.

5.45 As shown in the chart below, Carlisle has a relatively old population compared to the regional and national averages: with all age groups of 45-49 years and above being 'over-represented' in Carlisle, and all age groups of 35-39 years and below being 'under-represented'. This profile of an aging population, with relatively few new entrants to the labour market, has obvious implications for Carlisle's future economic growth.

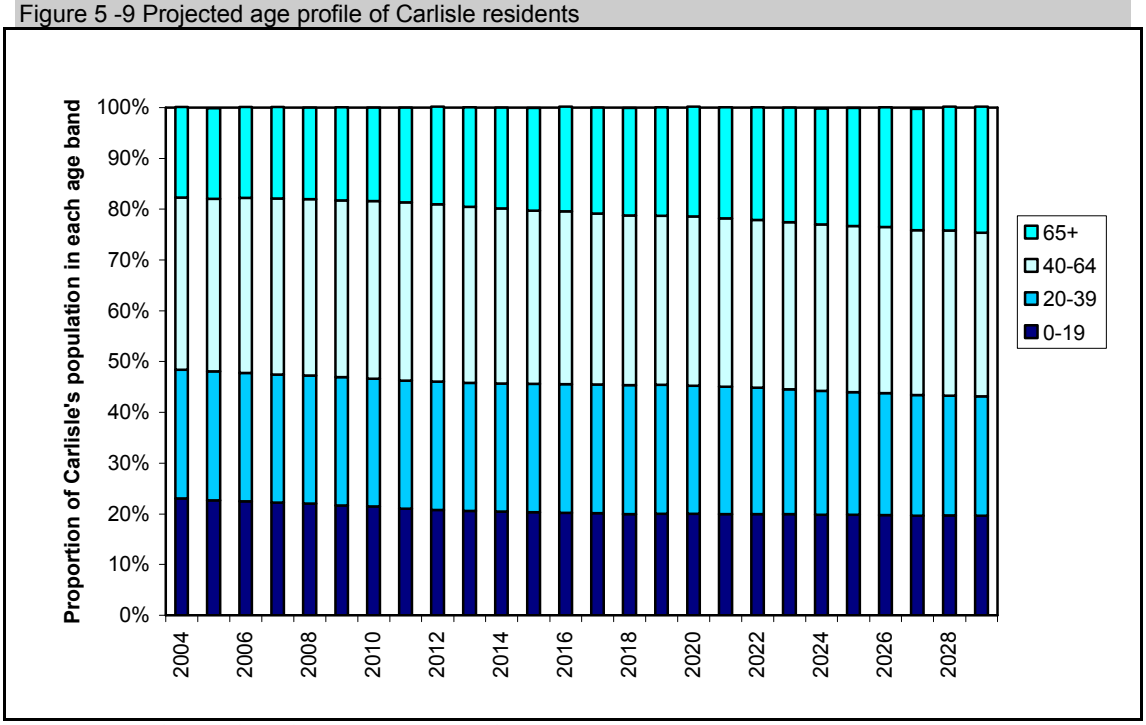
Figure 5-8 Current age profile of Carlisle residents



Source: ONS Mid-year Population Estimates

5.46 Based on trends over the last five years, the Office of National Statistics estimates that the proportion of Carlisle residents aged 65+ will increase from 18% in 2004 to 25% in 2029, as shown in the chart below. It should be noted, however, that the *numbers* of people are projected to increase in each of the age bands shown, with the exception of the 0-19 age band, for which the volumes are expected to remain approximately constant.

Figure 5 -9 Projected age profile of Carlisle residents



Source: ONS Subnational population projections, October 2006

Current major initiatives

5.47 The Cumbria LAA process has an Employment objective vested primarily within the Economic Development and Enterprise 'pillar'. This aims to increase employment rates across the county, to promote diversity in the workplace, to increase employability and to link employers to the workless.

5.48 The LAA Employment Working Group has defined outcomes for these objectives, set out possible measures and drawn together an initial baseline to help track progress. The group acknowledges the close links between initiatives in support of employment priorities and those in support of skills development.

5.49 Carlisle Renaissance (discussed in the next section) aims to connect Carlisle's deprived areas better with the rest of the city and with job opportunities, through its proposed spatial developments.

5.50 Other projects likely to influence Carlisle's people and jobs agenda include the work of the Nuclear Decommissioning Authority. This is a long term programme of a uniquely large scale demanding a range of skill sets and providing opportunities for different occupations. Largely physically located in West Cumbria, access and educational infrastructure benefits may mean that Carlisle can enjoy some associated economic benefits.

Summary SWOT – people and jobs

Table 5-4 Summary SWOT – people and jobs

Strengths	Weaknesses
• Relatively diversified local economy, having created new employment opportunities in the face of a decline in manufacturing • Low levels of unemployment and high levels of economic activity • Strong recent population growth, providing an expanding local market for Carlisle businesses	• Relatively small total population and local labour market. • Limited options for residents to commute to work outwith the Carlisle area (two hours drive or more from the major conurbations of Liverpool, Manchester, Glasgow and Edinburgh) • Relatively old population, with a working age population in decline • Many young people have low aspirations/expectations for their future work life • Pockets of severe multiple deprivation, particularly in Carlisle South • Poor access to services in parts of rural Carlisle
Opportunities	**Threats**
• Potential to attract new migrants from elsewhere in the UK and overseas – of working age, as well as retirees – as people seek a better quality of life for themselves and their families • Carlisle Renaissance offers the prospect of connecting deprived communities better with job opportunities and with the rest of the city • Potential for nuclear decommissioning work in West Cumbria for some Carlisle residents • Opportunities in the employment and training of older workers • Business opportunities associated with the provision of goods and services to increasing numbers of elderly residents • Opportunities to benefit from the contribution of well-educated Eastern European inward migrants, and their entrepreneurial potential • An apparent trend towards more high-performing school leavers choosing to stay local (partly to avoid student debt by staying at home during their study)	• Potential shocks to the Carlisle labour market, from major employer re-structuring/re-location decisions • Potential further employment reductions in the (relatively high productivity) manufacturing sector • Increasing competition for talent from other areas of the UK • Potential tensions between local residents and inward migrants

6: Infrastructure

6.1 This section of the report presents a review of the policy context and an assessment of the existing and proposed physical infrastructure in the Carlisle area, including employment land and premises, housing policies, land allocations and transport facilities.

Policy context

6.2 The provision of physical infrastructure in Carlisle is guided by the North West Regional Economic Strategy (RES), the North West Regional Spatial Strategy (RSS), the Cumbria Subregional Spatial Strategy, the Cumbria & Lake District Joint Structure Plan, the Cumbria Local Transport Plan, the Carlisle Renaissance Issues and Strategy Reports, the Carlisle District Local Plan 2001-2016 (Revised Deposit Draft 2006) and the Carlisle & Eden Community Plan.

Regional and sub-regional strategies

6.3 The **Northern Way Growth Strategy** focuses on eight city regions in the North of England and is supported by a £100 million growth fund. However, it does not include Carlisle and Carlisle Airport is not included in the Northern Airports Plan. Carlisle is not eligible for Objective 2 European Structural Funds funding for capital projects but it is eligible for Objective 3 funding, as is the rest of the country, for the protection and creation of jobs.

6.4 The North West **Regional Economic Strategy** (RES) proposes that the operator of Carlisle Airport should investigate the potential for airport development.

6.5 The North West **Regional Spatial Strategy** (RSS) and the **Cumbria Sub-regional Spatial Strategy** identify Carlisle as a 'regional city' in the regional spatial hierarchy. Carlisle is identified as a focus for development in North Cumbria and South West Scotland because of its built environment and good transport links. Carlisle, Barrow and West Cumbria are identified as centres for major development and centres such as Brampton and Longtown are identified for a moderate scale of development. Carlisle should continue to play its regional role whilst conserving its historic heritage.

6.6 The RSS aims to achieve more balanced communities by investing in Carlisle, Barrow, Kendal, Penrith and West Cumbria and reducing the dependency on jobs and high level services outside Cumbria. It also aims to increase the complementary nature of the key towns and to maintain and develop high quality modern transport networks.

6.7 Sites for high value business are identified in the RSS at Kingmoor (Carlisle), Dock Estate (Barrow), Gilwily (Penrith), Kendal, Lillyhall (Workington) and West Lakes Science & Technology Park (Whitehaven) to allow all parts of Cumbria to be within a reasonable distance of a high quality inward investment opportunity.

6.8 Transport improvements schemes are proposed for the A590, A595/6, A66 and A69 and investment is recommended in Carlisle Airport and in improved access to Windermere / Bowness.

6.9 The **Cumbria & Lake District Joint Structure Plan** gives priority to the development of brownfield land and it recognises opportunities for mixed use and housing development on former employment sites where there is a lack of sustainable demand.

6.10 Cumbria has been identified as facing economic transformation and is dependent upon sectors such as food processing, agricultural support, automotive component manufacturing and engineering (see Carlisle Renaissance below). The county's economy is poorly connected to growth areas in the North West and the North East and it has only limited commuting flows to these areas.

Carlisle Renaissance

6.11 Carlisle Renaissance arose as a strategic response to the extensive flooding in Carlisle in January 2005 with a multi agency recovery team, a public sector stakeholder group and the formulation of a long term regeneration plan for Carlisle.

6.12 The Carlisle Renaissance Interim Baseline Report noted a strong retail property market, a limited office market, an industrial property market that is shifting to the north of the town, a relatively healthy housing market and some significant development activity around the city centre and the edge of the urban area.

6.13 The report noted that large floor-plate, non-food retail development has previously been limited to smaller sites on the edge of the town centre and the continuing pressure for further retail development across the city. As an example, a new Tesco food superstore (the Viaducts Estate Road site on the eastern edge of the city) has recently been granted permission, and an appeal by Tesco for a larger store at the site is outstanding.

6.14 The report noted that Carlisle has a limited office development market and caters mainly for local demand. Some smaller office units are mainly located on the western edge of the city centre but there have been some recent out-of-town office developments at Parkhouse, Rosehill and Kingmoor Park because of peak hour traffic congestion and a lack of suitable sites in the city centre. An evening economy has been developing in the Botchergate area (on the southern edge of the city centre) but there is a lack of cultural facilities to attract a broad range of people.

6.15 The report also commented that the industrial property market is now focused on Kingmoor Park and the City Council's portfolio of industrial land around M6 Junction 44 to the north of Carlisle. A shortage of land in the 1990s, pent up demand from local businesses seeking to expand, and the regeneration opportunity presented by the closure of RAF No 14 MU (on the site of what is now Kingmoor Park) prompted industrial development interest to turn to areas to the north of Carlisle. Carlisle has a relatively healthy housing market and a limited but growing market for city centre living. There has been some significant residential development on the south-eastern edge of the urban area.

6.16 Although Carlisle is a local and sub-regional administrative centre, the office market remains under-developed and very little modern office space is available. There are no incubation facilities, as such, and there is a lack of high quality, easy-in/easy-out work space within the city. The Carlisle Enterprise Centre, now 18 years old, is showing signs of its age, and is not particularly well-suited to the needs and aspirations of dynamic knowledge-based businesses.

6.17 The Carlisle Renaissance Interim Strategy Report (2005) outlined a Vision, Strategic Objectives and Emerging Development Frameworks for Carlisle. It recommended that the vision for a successful renaissance programme should focus on the economic, social and physical regeneration of Carlisle. The vision foresees the city centre as a catalyst for economic growth with better gateways and movement within the city centre and high quality townscape and landscape blending modern architecture with the city's heritage.

6.18 The strategic objective of expanding and revitalising Carlisle's urban core includes expanding the retail offer, maximising connectivity with other areas, strengthening the cultural and heritage quarter and improving the public realm and individual heritage and cultural assets. It also includes developing a learning village and a new civic quarter, extending the city centre westwards and southwards, improving the southern gateway and developing a learning village around the college and further education institutions.

6.19 The Interim Report of the Carlisle Renaissance Development Framework & Movement Strategy (June 2006) sets out proposed land uses for seven core character areas in the city, as a foundation for action within the Development Framework:

- Retail Core
- Historic Core
- West Walls
- Citadel Area
- Eastern Approach
- Northern Gateway
- Southern Approaches.

6.20 A multi-layer Movement Strategy is proposed, with the following core principles:

- reduce the influence of traffic that simply passes through Carlisle
- build on the core assets of the city – the rail profile, M6 and wider centrality between Scotland and Northern England
- intercept long term users of Carlisle at the edges, and offer them a variety of opportunities
- create a walkable city for those within the urban area
- take the next step upwards in public transport to allow funding to be targeted more effectively

- create choice for all, with an emphasis on accessibility for all
- use the scale of Carlisle to create a UK wide 'exemplar' of integrated transport, linked heavily to land use/regeneration planning.

Employment land and premises

Employment land policies

6.21 The **Carlisle Local Plan 2001-2016** addresses the issues of employment land supply (although there is not yet an Employment Land Review for the area). The Local Plan makes provision for Primary Employment Areas, Mixed Commercial Areas, Office Development and Primary Retail Areas, Large Stores and Retail Warehouses.

6.22 The Local Plan policies for Primary Employment Areas make provision for B1 business, B2 industrial and B8 warehousing development in Carlisle, Brampton and Longtown. Together with various proposals for the redevelopment and extension of the Sandysike and Whitesyke areas (3 km south of Longtown) and possible redevelopment of older industrial areas in the city residential uses.

6.23 The Local Plan policies for Mixed Commercial Areas emphasise the need to accommodate small businesses and make provision for B1 business, B2 industrial, B8 warehousing development and A2 financial and professional services uses, provided that they have adequate access and can provide appropriate car parking.

6.24 The Local Plan policies for Office Development and Primary Retail Areas encourage office development within the city centre central primary office area (including conversion of former residential buildings back to housing use) and they accept retail development within the primary retail area, subject to conservation and traffic reduction objectives.

6.25 The Local Plan policies for Large Stores and Retail Warehouses resist pressure for any further development of large out-of centre shopping facilities and retail warehouses, because three superstores have been built and extended and two retail warehouse parks and another retail warehouse have been developed, as well as a number of large retail stores since 1985. A retail food store has recently been permitted at the edge of the City Centre at Viaduct Road.

6.26 The Local Plan policies for Rural Diversification encourage development that is compatible with or complements agricultural operations and does not lead to adverse traffic flows.

Employment land allocations

6.27 The Cumbria & Lake District Structure Plan identifies a total of 150 hectares of urban employment land allocations and 40 hectares of rural employment land allocations in the period 2001 to 2016 representing an overall allocation of over 12 hectares per year.

6.28 The Cumbria & Lake District Structure Plan identifies the planned supply of available employment land in Carlisle as minimum targets. These employment land allocations do not specify targets for brownfield and greenfield development although a sequential approach is

encouraged. The Structure Plan employment land allocations are summarised in the tables below for the City of Carlisle and North Carlisle.

Table 6-1 Supply of employment land – City of Carlisle urban allocations

Employment land market sector	**2001-2006** ***hectares***	**2006-2011** ***Hectares***	**2011-2016** ***hectares***
Regional Investment Site	15	20	15
Strategic Employment Site	10	10	10
Local Employment Site	15	15	15
Business Park or Science Park	5	10	10

Source: Deposit version of the Cumbria and the Lake District Structure Plan

Table 6-2 Supply of employment land – North Carlisle rural land allocations

Employment land market sector	**2001-2006** ***hectares***	**2006-2011** ***Hectares***	**2011-2016** ***hectares***
Strategic Employment Site	6	6	6
Local Employment Site	5	5	5
Business Park or Science Park	2	2	2

Source: Deposit version of the Cumbria and the Lake District Structure Plan

6.29 The Carlisle Local Plan identifies a total of 172 hectares of urban employment land allocations and 36 hectares of rural employment land allocations in the period 2001 to 2016, representing an overall allocation of over 14 hectares per year.

6.30 The Carlisle Local Plan 2001-2016 identifies employment land for Carlisle in the context of the Structure Plan allocations. The Local Plan explains that existing planning permissions will satisfy estimated demand until 2006 and that the Regional Investment Site at Kingmoor Park will satisfy the need for a regional employment site. It adds that there is an undersupply of strategic employment sites which will be rectified post 2011 when 20 hectares of land will be allocated at Brunthill. Existing allocations at Morton will meet the need for Business Park development.

6.31 The supply of employment land (at the time of the Local Plan) is summarised in the tables below for City of Carlisle and North Carlisle.

Table 6-3 Supply of employment land – City of Carlisle urban

Employment land market sector	**2001-2006** ***hectares***	**2006-2011** ***hectares***	**2011-2016** ***hectares***
Regional Investment Site	18.21	18.10	27.67
Strategic Employment Site	5	18.8	5
Local Employment Sites	13.67	4.8	
Business Park or Science Park	5.28	6	6

Source: Carlisle District Local Plan 2001 -2016 Revised Deposit Draft

Table 6-4 Supply of employment land – North Carlisle

Employment land market sector	**2001-2006** ***hectares***	**2006-2011** ***hectares***	**2011-2016** ***hectares***
Strategic Employment Site (Carlisle Airport)	1.95	8	11.20

Employment land market sector	2001-2006 *hectares*	2006-2011 *hectares*	2011-2016 *hectares*
Local Employment Sites	5.53	3.5	5.7

Source: Carlisle District Local Plan 2001 -2016 Revised Deposit Draft

6.32 The take up of employment land in Carlisle has been about half the Structure Plan allocations in recent years, including the development of the regional investment site and business park proposals but with little progress on urban or rural strategic employment sites.

6.33 It is estimated that within the city centre itself, around 3% of land is 'brownfield', presenting opportunities for development.

6.34 Evidence from Carlisle City Council's Annual Monitoring Report (December 2005) indicates that the take up of the 56 hectares of the Structure Plan employment land allocations for the area for the period 2001-2006 stood at 24.4 hectares for the period 2001-2005 (see the table below). This suggests that the market in employment land development is active, but has only required about half the rate of demand projected by the Structure Plan. It also suggests, however, that a reserve of available land remains for future development - although some currently allocated sites may not be meeting modern market requirements, and others may need to be identified.

6.35 The land allocations at Kingmoor Park and Brunthill constitute an important provision of employment land towards the north of the city centre. The Local Plan[39] also includes significant Primary Employment Areas to the south east, south west and west of the city centre, within easy reach of deprived communities. Whilst the developments to the north of the city centre may attract employees from areas outside Carlisle, public transport initiatives would also facilitate access to employment opportunities for residents of the deprived areas of Carlisle South.

Table 6-5 Employment Land Structure Plan Allocations 2001-2006 and Completions 2001-2005 (hectares)

	Regional Investment Urban	Strategic Employment Urban	Strategic Employment Rural	Business Park Urban	Local Employment Urban	Local Employment Rural	Total
Structure Plan Allocations 2001-2006	15	10	6	5	15	5	56
Completions 2001-2005	15	0	0	3.8	2.5	3.1	24.4

Source : City of Carlisle Annual Monitoring Report (AMR), December 2005

Retail capacity

6.36 A Retail Capacity Study undertaken by Donaldsons reported in September 2006. Its findings included the following:

- The city is sufficiently isolated from major competing centres, and has high enough 'critical mass' of retailing and services, to be able to continue to attract shoppers from

[39] Carlisle Local Plan, Revised Deposit Draft, September 2006

a wide catchment area, and act as a sub-regional shopping centre for Cumbria and areas to the north.

- Whilst continued pressure for more out-of-centre development of retail warehouses exists, it will be important to resist such pressure, if a new city centre retail scheme is to be brought forward, such as that envisaged by Carlisle Renaissance.
- There will also be continued pressure from food retailers to develop space for comparison goods sales. Again if acceded to, this will reduce the opportunity to develop more comparison goods floorspace in the city centre.
- There are likely to be realistic prospects of attracting at least a discount food retailer to anchor the proposed new neighbourhood centre at Morton.
- Secondary shopping will need more support, if it is to withstand the increasing competitive pressures from major retailers and retain its important function of providing specialist goods & services, contributing to retail diversity in the city.
- Donaldsons recommended that a site or sites for new retail development in the city centre should be identified if possible, and action taken to bring such a site or sites forward for new retail and other uses, avoiding the need for further extensive out-of, or edge-of, town development

Housing

Housing policies

6.37 The Cumbria & Lake District Joint Structure Plan explains that 2,022 houses were built in Carlisle between 1996 and 2002, and that development proposals for 1,815 dwelling units had planning permission in 2002. It anticipated that 250 dwellings per year would need to be permitted in Carlisle between 2006 and 2011 and set a target that 65% of this housing development should be on previously developed brownfield land.

6.38 The Carlisle Housing Strategy explains that there was a marked increase in the number of homeless people between 2001 and 2003, and that Carlisle suffers from high levels of fuel poverty. There are around 1,900 privately owned empty properties in the city and 2,300 privately owned properties fail to meet the decent home standards.

6.39 The Carlisle Housing Strategy also explains that there has been a sharp increase in property prices over the last three years, whilst local wages have remained below average. The higher education institutions are striving to attract more students, which will increase the demand for housing. In addition, within both the city centre and rural communities, it is recognised that there is currently insufficient provision of affordable housing, leading to an exodus of young or low paid people from the area.

6.40 The Structure Plan housing targets for Carlisle have been reduced from 400 to 315 dwellings p.a. and proposed changes to the Structure Plan suggest a further reduction to 280 dwellings p.a. Housing provision has been redirected to brownfield sites but, in a period of economic growth, the pressure on local house prices has increased still further.

Housing land allocations

6.41 The Carlisle Local Plan 2001-2016 proposes that 80% of new housing development should be located within the Carlisle urban area and that the remaining 20% should be located in the rural area. It includes policies for Primary Residential Areas, Affordable Housing and Housing Land Allocations.

6.42 The Local Plan policy for Primary Residential Areas applies to existing housing areas in Carlisle, Brampton and Longtown where new developments should achieve a density of 30 to 50 dwellings per hectare. The City Council will seek to achieve Structure Plan targets for 65% of new housing development to be located on brownfield land in urban areas and 40% of new housing development on brownfield land in rural areas.

6.43 The Local Plan policy for affordable housing will seek to ensure that any development of more than ten dwelling units will contribute 25% to 30% of total units as affordable housing.

6.44 The Local Plan policy for Housing Land Allocations states that an additional 4,955 dwellings are needed between 2002 and 2016 and that 3,500 dwellings will be in the Carlisle urban area, 540 dwellings will be gained from demolition at Raffles and 915 dwellings will be located in North Cumbria's rural area. Allowing for windfall sites and permissions already granted for 1,041 dwellings, the Local Plan allocates land another further 2,190 dwellings.

6.45 Local Plan Housing Land Allocations include provision for 800 dwellings on 41 hectares at Morton on the south west edge of Carlisle. Other developments include Lindisfarne Street (130 dwellings), Cars Field, Caxton Road (125 dwellings) and Nelson Street, Cavaghan & Gray, London Road and Norfolk Street, with about 100 dwellings each.

6.46 Evidence from Carlisle City Council's Annual Monitoring Report (December 2005) indicates that an average of 444 net additional dwellings p.a. completed in Carlisle in the period from 1999/00 to 2004/05. An increase in urban area housing completions and a decrease in rural area housing completions indicate that a more sustainable trend in residential development is emerging across the area.

6.47 The pattern of housing completions in relation to Structure Plan allocations suggests that the residential property market was more active than had been projected by the Structure Plan. Following a period where a relatively high number of permissions had been granted in the rural areas, Carlisle City Council is now limiting rural development in accordance with the Local Plan review and Structure Plan intentions.

Table 6-6 Housing completions in Carlisle (net additional dwellings)

Area	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	Average *(per year)*
Urban completions	256	233	264	384	384	373	**316**
Rural completions	188	136	131	115	78	120	**128**
Total completions	**444**	**369**	**395**	**499**	**462**	**493**	**444**

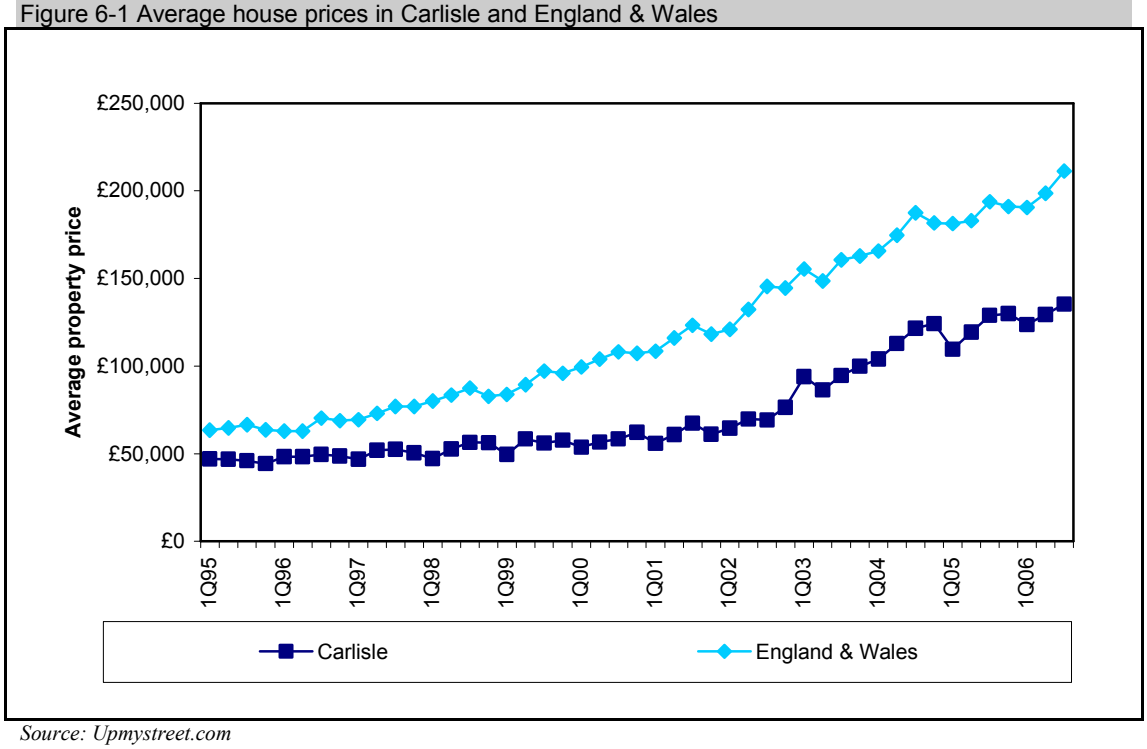
Source : City of Carlisle Annual Monitoring Report (AMR), December 2005

House prices

6.48 In common with the rest of the country, house prices in Carlisle have increased substantially over the last decade. As shown in the chart below, the average price for a property in Carlisle reached £135,000 in the third quarter of 2006, although this remains well below the average for England & Wales (£211,000 in 3Q06).

6.49 Consultees have advised us that there are significant shortages in the availability of both affordable housing and executive housing in the Carlisle area.

Figure 6-1 Average house prices in Carlisle and England & Wales



Source: Upmystreet.com

Transport facilities

6.50 This sub-section examines some indicators of Carlisle's regional and national accessibility, and it then summarises certain transport policies and project proposals to improve transport facilities within the Carlisle area.

Accessibility to Carlisle

6.51 Road accessibility from Carlisle to major towns and cities benefits particularly from the M6 north-south motorway and cross-Pennine routes to Edinburgh, Newcastle and Middlesbrough (A69 and A66). Drive times from Carlisle to major urban centres include 1 hour 30 minutes to Newcastle (58 miles) and Preston (89 miles), 2 hours to Manchester (120 miles) and 2 hours 17 minutes to Liverpool (124 miles). Road journey times into Scotland include 1 hour 40 minutes to Glasgow (95 miles) and 2 hours 5 minutes to Edinburgh (97 miles).

Table 6-7 Road connectivity

Journey	Distance by road (miles)	Estimated travel time
Carlisle – Newcastle	58	1 hour 29 minutes

Journey	Distance by road (miles)	Estimated travel time
Carlisle – Preston	89	1 hour 32 minutes
Carlisle – Middlesbrough	93	2 hours 13 minutes
Carlisle – Glasgow	95	1 hour 40 minutes
Carlisle – Edinburgh	97	2 hours 3 minutes
Carlisle – Manchester	120	2 hours 1 minute
Carlisle – Liverpool	124	2 hours 17 minutes
Carlisle – Leeds	130	2 hours 54 minutes
Carlisle – Sheffield	157	3 hours 21 minutes
Carlisle - London	307	5 hours 6 minutes

Source: RAC Route Planner, November 2006

6.52 Carlisle is a rail hub providing direct access to major urban centres. Travel times by rail include just under 1 hour to Preston (32 services per day), just over 1 hour to Glasgow, Edinburgh and Newcastle (15 to 25 services per day), and over 2 hours to Manchester, Liverpool, Middlesbrough and Leeds.

Table 6-8 Rail connectivity

Journey	Frequency (per 24 hours)	Minimum travel time
Carlisle – Newcastle	15	1 hour 18 minutes
Carlisle – Preston	32	59 minutes
Carlisle – Middlesbrough	15	2 hours 37 minutes
Carlisle – Glasgow	25	1 hour 11 minutes
Carlisle – Edinburgh	14	1 hour 19 minutes
Carlisle – Manchester	31	2 hours 6 minutes
Carlisle – Liverpool	23	2 hours 18 minutes
Carlisle – Leeds	37	2 hours 37 minutes
Carlisle – Sheffield	31	3 hours 14 minutes
Carlisle - London	19	3 hours 13 minutes

Source: National Rail, Enquiries, November 2006

6.53 The West Coast Main Line Modernisation Project is being implemented over a five year period from 2003 to 2008, and will significantly improve journey times to and from Carlisle. Recent estimates indicate that rail journey times from London to Carlisle will be reduced by about 20%, from 4 hours 4 minutes (pre-project) to 3 hours 22 minutes (post-project). Rail journey times from Carlisle to Glasgow will be reduced by about 30%, from 1 hour 31 minutes (pre-project) to 1 hour 5 minutes (post-project).

6.54 Accessibility by air from Carlisle is limited because Carlisle Airport currently provides for private aviation and air freight services but has no passenger services. However, following the sale of the airport to WA Developments (parent company of Eddie Stobart) in April 2006, prospects for development have improved considerably. There are plans to invest in the

airport infrastructure (including resurfacing the current runway or building a new runway), and to move the headquarters of WA Developments and Eddie Stobart to the site, taking advantage of air freight services that will be operated out of the airport.

6.55 While abortive attempts have been made in the past to run passenger services out of Carlisle, demand for air travel has increased significantly over the last few years, with the advent of low cost carriers. The airport management is currently considering the potential for launching passenger services.

6.56 The nearest major airports are at Newcastle (about 1 hour 10 minutes by road) and Glasgow (about 1 hour 50 minutes by both road and rail) which provide a choice of 67 and 73 routes respectively. Manchester airport provides the widest choice of 222 national and international air routes but is 2 hours 12 minutes by road and 2 hours 27 minutes by rail from Carlisle. Edinburgh and Liverpool offer 76 and 68 routes respectively but are over 2 hours drive time from Carlisle (see table below).

Table 6-9 Travel times to regional and national airports

Airport	Drive time from Carlisle[40]	Rail travel times from Carlisle	National and international air routes	Passenger numbers 2005[41]
Carlisle Airport	19 minutes	No	0	0
Blackpool Airport	1 hours 45 minutes	2 hours 7 minutes	24	376,808
Edinburgh Airport	2 hours 1 minutes	No	76	8,448,604
Glasgow Airport	1 hours 48 minutes	1 hours 46 minutes[42]	73	8,775,355
Liverpool John Lennon Airport	2 hours 20 minutes	2 hours 30 minutes[43]	68	4,409,018
Manchester Airport	2 hours 12 minutes	2 hours 27 minutes	222	22,083,008
Newcastle International Aiport	1 hours 8 minutes	(Train connects with Metro at Newcastle City Centre)	67	5,187,182

Transport policies

Cumbria Local Transport Plan

6.57 The Cumbria Local Transport Plan sets out the policies and priorities for transport between 2006 and 2012, in the context of a longer term strategy and vision for 15 years. Cumbria has an extensive road network but it suffers from under-investment. The priorities for Carlisle include transport measures to develop the City as a gateway and interchange point, to improve accessibility in the rural areas, to develop demand responsive transport measures to support new development opportunities (including the Carlisle Northern Development Route), to provide easy access to jobs and services, to assist public transport, cycling and walking, to

[40] http://www.theaa.com/travel/index.jsp
[41] http://www.caa.co.uk/default.aspx?categoryid=80&pagetype=88&sglid=3&fld=2005Annual
[42] Paisley's Gilmour Street
[43] Liverpool South Parkway

reduce through traffic public transport delays on radial routes and to support the development of Carlisle Airport where necessary.

6.58 The Local Transport Plan supports maintaining and improving public transport connections from rural communities into the city and other service centres, and continuing to assist the community minibus scheme. The Carlisle Northern Development Route between A74 / M6 and A595 will provide access to the Regional Investment Site at Kingmoor Park, and will help reduce city centre congestion. Park and ride proposals will be developed on the key radial routes into the city centre. Consideration is being given to proposals to develop a South-Eastern Route to remove through traffic from Carlisle in the longer term

Developing Sustainable Cumbria 2004 - 2024

6.59 Cumbria County Council, on behalf of the Cumbria Strategic Partnership, is currently completing a review of Cumbria's transport investment needs, "Developing Sustainable Cumbria – 2004 to 2024",[44] which sets out the transport planning framework to help achieve the aspirations of "Sustainable Cumbria".

6.60 The draft report identifies the following priority objectives:

- Seek to improve road and rail links between the west coast and the M6 and West Coast Main Line
- Support development of the Bridge across the Bay as a renewable energy project and make use of transport benefits from the scheme and promote the onward major road improvements from Furness northwards up the west coast of the county
- Promote the case for national investment to upgrade and secure the future of the Cumbrian Coast Rail Line
- Lobby for the continued enhancement of rail passenger services for Cumbria along the West Coast Main Line
- Lobby for improvements to access Cumbria and links to east and south to link in with the Government's Northern Way growth zone
- Reduce congestion in urban areas and tourist areas
- Seek optimum capital maintenance funding arrangements for the county highway network
- Support reopening Carlisle Airport and improve surface access
- Facilitate surface access to ports for freight and cruise liner business

6.61 In proposing improved transport infrastructure in pursuit of economic growth, "Developing Sustainable Cumbria" recognises that environmental and social impact assessments will need to be made as proposals are developed. Schemes will also be subject to robust economic

[44] Developing sustainable Cumbria – 2004 to 2024: A review of Cumbria's transport investment needs; a draft report by CEDOG for the Cumbria Strategic Partnership

justification, value for money appraisal and consideration of alternative solutions to meet the objectives.

Broadband infrastructure

6.62 With the completion of Project Access's roll-out, the coverage of affordable broadband services in Carlisle is near ubiquitous, as all BT exchanges in the area have now been enabled for DSL services. While some households and businesses will remain out of the reach of broadband, due to technical factors such as line length, this should now be a very small proportion (nationally this is only the case for fewer than 1% of lines).

6.63 The Carlisle exchange itself is the largest in the district, serving more than 35,000 households and 2,200 businesses. This exchange was enabled for broadband in the first phase of national broadband roll-out, back in 2000. Services are available from local loop unbundlers Easynet (now owned by BSkyB) and Tiscali, as well as from BT and the many Internet Service Providers offering services over BT's wholesale ADSL products.

6.64 One disadvantage for Carlisle is that it is not served by a cable operator. Nationally, NTL Telewest has been instrumental in driving the move towards higher bandwidth offerings, and the company has recently announced a commercial trial of a 50Mbit/s service.

Summary SWOT – infrastructure

Table 6-10 Summary SWOT - infrastructure

Strengths	Weaknesses
• Carlisle is recognised as a 'regional city' and a centre for 'major development' in the North West region • Good road and rail links in the M6 and the West Coast Main Line • Strong retail and industrial property markets • Healthy levels of housing completions and sales, with a more sustainable pattern of urban and rural development emerging • The Regional Investment Site at Kingmoor Park • Near 100% coverage of affordable broadband (DSL) infrastructure, with local loop unbundlers also offering services from Carlisle exchange	• Relative remoteness from major centres of population, leading to long journey times • Much of Carlisle's secondary industrial space is unsuited for modern needs • Limited city centre office market, and a lack of incubation and/or easy-in/easy-out facilities for modern knowledge economy businesses • Take up of employment land has been low, at about half the Structure Plan allocations • Carlisle suffers from through traffic, contributing to localised congestion and public transport delays on radial routes • Single carriageway on the A69 route to the east • Carlisle currently lacks a passenger airport • Limited rail services to West Cumbria and across the Pennines • Reports of a lack of affordable housing and of executive housing • No cable broadband coverage (i.e. from NTL Telewest), limiting infrastructure-level competition
Opportunities	**Threats**
• Opportunities for physical regeneration of the city, and improved movement about the city, through the Carlisle Renaissance proposals • Potential for the Eden & Peterill and Caldew & city centre flood alleviation schemes to revitalise the waterfront and help achieve urban renaissance • Potential for exploiting the reduced rail journey times (e.g. to London) as a result of the West Coast Main Line modernisation • Opportunities associated with air freight services at Carlisle Airport, as a result of WA Developments investment, and the potential for passenger services in the future • Potential for significant road transport improvements to/from/around Carlisle, with the current upgrade of the A74 between the M6 and the A74(M), the planned Carlisle Northern Development Route, and proposed improvements for the A595/6 and A69 • Significant potential for future growth in employment premises, with Local Plan employment land allocations providing a total of 172 hectares of urban employment land and 36 hectares of rural employment land from 2001 to 2016, representing a supply of 14 hectares per year overall • Potential re-use of surplus agricultural buildings as employment or affordable housing stock	• Failure to address the legacy of the floods could risk realising the opportunities for an urban renaissance. • The shift of demand for industrial property to the north of the city, could make it more difficult for those living in deprived areas of Carlisle South to access employment opportunities • Delays in agreeing the way forward for Carlisle Renaissance proposals could risk the city missing out on the profile and window of opportunity presented by the 2005 floods

7: Quality of life

7.1 This section of the report offers an analysis of elements of the Quality of Life offer of the Carlisle local authority area. It considers perceptions of Carlisle, environmental issues and tourism, culture and leisure.

Perceptions of Carlisle

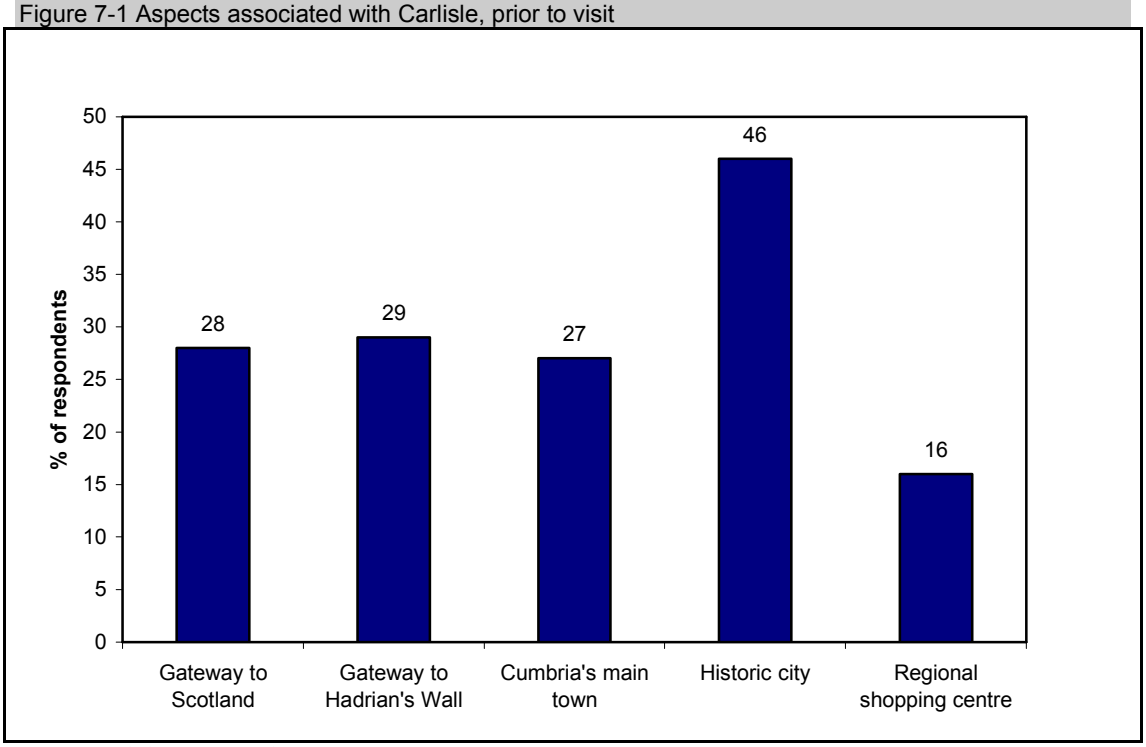
7.2 There is a strong recognition within strategy, from visitors and residents of the cultural assets of Carlisle City and its wider area; however, there appears to be an acceptance that the economic value of these assets is currently under-utilised.

City of Carlisle

7.3 People's perceptions of Carlisle were formally recorded via a Visitor Survey[45] in 2004 and during compilation of the Audit Commission's Area Profile.

7.4 When questioned about aspects which they had associated with Carlisle, prior to their visit, almost half of respondents to the Visitor Survey perceived it to be an Historic City (see the chart below). Other common visitor perceptions included Carlisle being a Gateway to Hadrian's Wall and to Scotland. Interestingly, relatively few of these respondents had associated Carlisle with being a regional shopping destination, prior to their visit.

Figure 7-1 Aspects associated with Carlisle, prior to visit



Source: Carlisle City Council Visitor Survey, 2004

[45] This survey included 195 respondents. Carlisle residents and Cumbrian 'shoppers' were excluded from the sample.

7.5 As part of its Area Profiles activity, the Audit Commission collated in 2003/04 a wide range of resident perceptions on a number of Quality of Life issues. Carlisle was generally perceived by residents as having made positive progress across a wide number of parameters; however, in certain areas was still believed to be under performing.

7.6 Residents perceived higher than comparator performance in terms of improvement of provision of activities for teenagers, cultural, sport and leisure facilities. Residents perceptions of safety after dark (84% in Carlisle and Cumbria expressing themselves as feeling fairly safe or very safe), were significantly higher than across all-areas average (72%).

7.7 The main areas of negative perception related to improvements in traffic congestion (28% in Carlisle, 34% for Cumbria and 32% for all-areas), violent offences committed per 1,000 population and theft of motor vehicles, which in the latter category was almost twice the figure for Cumbria.

Rural Carlisle

7.8 The wider Carlisle district includes a number of smaller settlements and towns providing residents with a high quality of life, but which could be developed further for economic purposes.

Longtown

7.9 Longtown was chosen in 2001 as one of nine Cumbrian Market Towns to be accepted for Market Town Initiative (MTI) status.

7.10 There are vast areas of woodland and forest areas around Longtown, which are not managed by the farming community. The MTI report identified that these could provide a valuable economic and community resource if managed and developed properly. Similarly, the footpath network throughout the entire area requires maintenance and promotion. Despite the Esk River being accessible from the main streets, it gives the appearance that little attempt has been made to utilise the location and develop the area into a public amenity space.

7.11 The table below summarises the key Quality of Life actions in the Longtown Market Town Initiative Plan, 2002.

Table 7-1 Relevant Quality of Life actions from the Longtown MTI Project Plan

Objective 2 – Improving and protecting the Natural Environment	
Project Env. 1	Design and implement landscaping schemes at entrances to Longtown on A7 and A6071
Project Env. 3	Approach landowners to consider a scheme to sensitively provide public access to existing gravel ponds as local nature reserves and possible picnic areas
Project Env. 5	Develop new pathways for cyclists, walkers and equestrians
Project Env. 7	A scheme of new tree planting (£100k)
Project Env. 9	Longtown Esk Riverside Development (£100k)
Objective 4 – Development of the tourism sector	
Project T1 & T2	Feasibility study for a visitor centre based on the Arthurian Legend with Merlin as the

	central figure. Visitor centre to include small theatre / cinema / restaurant
Project T10	Conversion of buildings in town to provide low cost accommodation for cyclists / walkers / conservation teams
Objective 6 – Young peoples development	
Project YP4	Improved health facilities – access to support / advice
Project YP6	New and improved play areas / adventure play areas / skateboarding (£50k - £100k p.a.)
Project YP7	Permanent Youth Support Team (£75k-£100k p.a.)

Source: Longtown Market Town Initiative Report, 2002

Brampton

7.12 Brampton and its surrounding eight parishes produced the first unified parish plan in Cumbria in June 2005. The plan included consultation with residents on Quality of Life issues. The following summarises the key findings:

- Over 50% of respondents use the services available in Brampton
- Around 75% said that traffic was a serious problem
- 95% are in favour of maintaining the Brampton Cottage Hospital
- 59% of residents said better facilities for children would improve the quality of life in their area
- 62% said reducing crime would make the quality of life better in their area
- 82% said the effect of the Hadrian's National Trail has had a positive impact.

Dalston

7.13 Dalston Parish has a population of 2,640 and is approximately five miles from Carlisle. The following summaries the key Quality of Life issues from the resident consultation activity in the Dalston Parish Plan, 2005 – 2015:

- Overall, respondents feel that services in Dalston Parish are satisfactory, but a detailed examination of responses reveal that there is much room for improvement
- 83% want more visible policing and 88% are in favour of a police office in Dalston village. Vandalism and threatening groups of young people were the main causes for concern.
- The River Caldew and other watercourses are significant and attractive landscape features. The River forms part of both a Site of Special Scientific Interest and at European level, is a candidate for a Special Area of Conservation.

7.14 SQW's consultations with representatives of parish council and community groups indicate that there are pressing socio-economic issues within the rural communities, with lack of affordable housing, reductions in services, city centre access and the decline in local

agricultural employment being key concerns. There is a threat that the decline in local employment and lack of affordable housing will result in outward migration, resulting in an economy lacking sustainability and populated by a more affluent dual-income, retired or non-resident population, able to commute into Carlisle and less affected by a lower level of public service provision.

7.15 Given the indications of high levels of 'lifestyle' or self employment within the rural communities, there would appear to be an opportunity for initiatives focused on re-using surplus agricultural buildings, adapting them for employment or affordable housing purposes, whilst at the same time, providing employment or skills development opportunities for local people in construction trades.

7.16 A Carlisle Rural Audit in 2003 highlighted the large numbers of people working voluntarily in rural communities who do not call themselves "volunteers" but are essential to community cohesion e.g village hall committees, sports committees, school governors and parent teacher association members.

7.17 The audit collected data from key local people (for example parish clerks, village hall secretaries, schools, churches, Women's Institute secretaries etc.), mostly through postal surveys. The key findings were as follows:

- 88% of groups are run soley by volunteers.
- 96% have more than 11 members.
- 49% of groups in rural Carlisle meet in village halls, 21% in community centres, 14% in churches, and the other 16% of groups meet in locations such as schools. This finding highlights the importance of locally based buildings, such as village halls, where community groups can meet. Throughout the district, the existence of a prominent building in a settlement can be seen to greatly enhance the activity level within that settlement.
- 53% of residents in rural settlements have to travel to access services.
- Brampton, Longtown and to a lesser degree Dalston were identified as "anchor points" or main centres where people living in an area of "nil activity" go for activities and services even if they need to travel.
- Lack of funding was seen as the main barrier to more outreach services being provided in rural areas by established voluntary groups based in Carlisle.

Environment

7.18 The Carlisle district has strong environmental assets including a World Heritage Site (Hadrian's Wall), Sites of Special Scientific Interest and Scheduled Monuments. The natural landscape is of high quality and is strongly connected with parts of the City. It appears, however, that in places the relationship of the built and natural environment could be improved.

7.19 The city's heritage and other environmental assets also mask other significant problems, with 3% of Carlisle's developed land being derelict (2004) compared to the national average of 1.6%

7.20 In 2004, 82.3% of river length in the Carlisle City area was assessed as of good biological quality, a small improvement from 2002 when 80.5% was assessed as of good quality and significantly better than the national average which is 53.1%.

7.21 Similarly, in 2004, 81.6% of river length in the Carlisle City area was assessed as of good chemical quality; however, this was a drop in performance from 2002 where 84.9% of river length was assessed as good chemical quality. The figure of 81.6% still compares very favourably against the national average of 49.4%.

7.22 In the Carlisle City area, 11.6% of household waste was recycled in 2004, compared with 13.6% in the Cumbria County Council area as a whole. Both of these figures fall short of the national average of 15.2%, and are a long way short of the 25% target set by Defra for 2005/2006.

7.23 Of the land in the centre of Carlisle designated as being Site of Special Scientific Interest, 48% is in favourable condition; this is slightly below the national average (48.09%) but above the average for the Cumbria County Council area (44%).

Climate change

7.24 A Northwest Climate Change Action Plan[46] has recently been published, establishing:

- a mission to make England's North West 'the leading region on climate change'
- a vision of a 'low-carbon region that has adapted well to the impacts of climate change by 2020'.

7.25 Within Carlisle, in line with its profile of a clean and environmentally aware city, there appear to be indications that many of the community and public sector groups wish to be in the vanguard of regional developments on tackling climate change and sustainable communities, with a strong desire to identify and exploit some of the economic opportunities that will arise.

7.26 A report[47] for DEFRA, released in November 2006, provided estimates of CO_2 emissions from industrial & commercial, domestic, and road transport uses. Our analysis of that data shows that Carlisle is currently just in the top quartile of English local authority (NUTS4) areas for total CO2 emissions per capita, with the 86th highest emissions per resident, out of 354. Within the total, Carlisle ranked 66th for industrial and commercial emissions per capita, 172nd for domestic emissions, and 98th for road transport emissions.

[46] "Rising to the Challenge – A Climate Change Action plan for England's Northwest 2007-09"
[47] "Local and Regional CO2 Estimates for 2004", AEA Technology, 2006

Tourism, culture and leisure

7.27 Carlisle has two distinct visitor offers; the city and the rural area. The city attracts day visitors, many of whom have high awareness of the heritage and cultural offer. The rural area attracts visitors for short stays, often linked to some form of activity or event. To date, the district appears to have a limited share of the business tourism sector.

7.28 According to a 2005 STEAM survey[48], tourism generated £115 million for Carlisle's local economy. Whilst the potential offered by the visitor economy has been identified within many strategies and plans, the value available from tourism does not appear to have been fully captured as yet, and there are opportunities for significant future growth.

Heritage tourism

7.29 The historical legacy within the City is substantial, yet is currently prejudiced by 20th Century development and land-use. The heritage theme continues across the wider rural area, with Hadrian's Wall offering both physical and cultural connectivity from west to east. To date, the potential of heritage tourism as an economic driver appears to be under-exploited.

7.30 Carlisle is described in the NWDA Historic Towns and Cities report as a "Medieval Masterpiece". Its cultural and historical assets include the street plan, the Market Square, the Cathedral, Castle and Tullie House museum. Carlisle is also the "western hub" of Hadrian's Wall and its Roman connections provide further historical and cultural significance to the town.

7.31 In the 2004 Visitor Survey, the top five places people wanted to visit were: Carlisle Castle 68%; The Lanes 48%; Carlisle Cathedral 41%; Hadrian's Wall 30% and Tullie House 25%. However, data from the Survey of Cumbria Visitor Attractions 2005 shows that Carlisle's attractions seem to be experiencing mixed fortunes:

- The Cathedral received 150,000 visitors in 2005 (8% down on 2004), whilst the Castle only generated 53,000 visitors (down 14% on 2004).
- In contrast, Tullie House Museum and Art Gallery attracted 280,000 paying customers, up 6% on 2004; a performance which ranked it 4th in the list of Cumbria's paying attractions behind Reghed (2nd) and the two Steamship operations on Windermere and Ullswater.

7.32 The Historic Towns and Cities Report notes that Carlisle is not widely known to be a 'Heritage City'. Other weaknesses include a lack of quality city centre hotel accommodation and a limited evening economy offering.

7.33 Carlisle Castle, managed by English Heritage, is perhaps the city's greatest heritage based opportunity; however, the separation of the Castle from the city centre by the inner ring road is a key weakness in the cultural development of the city. Notwithstanding the potential for the proposed Carlisle Northern Development Route to calm future traffic volumes on the inner ring road, measures are urgently needed to reduce the separation of the Castle from the city centre. This would also open up the opportunity for development of an 'Heritage

[48] Carlisle City Council, Steam Report 2005

Quarter' within the city, able to attract some of the specialist retail and evening economy offers required to attract higher spending visitors to the city.

Retail

7.34 Carlisle promotes itself as *'one of the most compact, level and visitor friendly city centres in the country'*. The city is typically ranked in the mid 60s to early 70s of the top retail destinations in the UK. It offers The Lanes shopping centre and the pedestrianised English Street, award-winning regular Farmers' Markets, an annual Food Fair and the Easter and Christmas continental markets.

7.35 The Lanes shopping centre in Carlisle is estimated to attract around 11 million visitors per annum (employing c. 1,100 across full-time, part-time and weekend staff), making it an important component of the city centre offer. This compares favourably with visitor numbers at Gretna (the Gretna Outlet Centre and Gretna Gateway), where annual visitor numbers substantially exceed 1 million, although these are reported to have increased by over 50% in the last two years, in line with a similar percentage increase in floorspace. Other potential threats to Carlisle's retail position include Workington, which has recently opened a new shopping centre.

Culture and leisure

7.36 The Sands Centre is a mixed use leisure facility which is currently Cumbria's premier live arts venue - hosting classical, pop and rock music plus theatre, drama and ballet productions. There are also two existing multi-screen cinemas, and two theatres, The Green Room and Stanwix Arts Theatre.

7.37 However, a recent feasibility study, 'Creative Space'[49], carried out by Roger Lancaster Associates on behalf of Carlisle City Council, concluded that the lack of a high quality, strong profile building offering a range of facilities for the performing arts is a serious gap in Carlisle's cultural offer; the report puts forward a number of options for further investigation.

7.38 Carlisle's evening economy has been strengthened somewhat in recent years by the developments at Botchergate. Our consultations have indicated, however, that the city does not yet have sufficient range and quality of food and drink establishments, and that this is a factor in the difficulties some employers have in attracting and/or retaining professionals to live and work in Carlisle.

7.39 Of the Carlisle city population, 38% are within 20 minutes of a range of three different sports facility types. This is nearly double the national average of 21%. Two major sporting assets for the district are Carlisle United Football Club and Carlisle Racecourse:

- Carlisle United Football Club has recently achieved promotion to National League One. The football club is heavily involved in community activity and runs a very successful Playfair scheme in partnership with Carlisle City Council and the police. The football club was recently awarded a civic award for its community involvement.

[49] "Creative Space"- a new theatre and arts centre for Carlisle; feasibility study commissioned by Carlisle City Council from Roger Lancaster Associates

- Carlisle Racecourse is a well-established horse racing track, set in open countryside. It holds 11 national hunt meetings from September to April and nine flat meetings between April and August. The racecourse also offers conference and banqueting services.

Current major initiatives

Tourism Priority Plan

7.40 On behalf of the city's tourism industry organisations, a Tourism Priority Plan[50] has been established setting out the future strategy for the sector in the period until 2010.

7.41 The plan recognises the significant role tourism could play in the long term regeneration of Carlisle, and in supporting the current Carlisle Renaissance regeneration proposals. The traditional employment base of the City is gradually changing, and the successful development of tourism could provide valuable, alternative employment opportunities.

7.42 The statement below defines the City's aspirations in tourism development terms, and provides the overall context for the preparation, and implementation of the City Council's Tourism Priority Plan.

7.43 By 2010 the 'Carlisle and Hadrian's Wall Country' brand will aim to embrace the following aspirations:

- 'Carlisle and Hadrian's Wall' as an 'attack brand' for Cumbria and the North West, where Carlisle is the recognised historic 'Western Gateway' to a well interpreted, and attractively profiled Cumbrian section of Hadrian's Wall.
- A highly competitive, and visitor friendly, 'regional shopping centre'.
- A nationally recognised conference and meetings destination.
- An attractive annual programme of events, which includes those of international/national status.
- A Christmas Festival promoting 'Carlisle - the Christmas City' as one of the best seasonal tourism offers in the North West.
- An unrivalled heritage, which achieves a national profile.
- A high quality built and rural environment, including an outstanding 'public realm'.
- A sustainable tourism infrastructure that benefits both visitors and local communities alike.

7.44 The five year targets associated with the above aspirations are as follows:

- Increase visitor spend by 10 %, from £105.5m to £121m per annum

[50] Carlisle & Hadrian's Wall Country Tourism Priority Plan 2005-6

- Increase room occupancy level for serviced and self catering accommodation by 5%
- Increase average length of stay to two nights
- Increase tourism supported jobs by 5%
- Increase annual footfall through city centre by 10%
- Increase conference revenues into city by 10%

7.45 The plan has evolved through, and has been endorsed by, the Carlisle Tourism Group, which is the formal representative body of the local tourism industry.

Realising Carlisle's historic and cultural potential: Carlisle – 'Under-realised Medieval Masterpiece'

7.46 The Historic Towns and Cities report by the NWDA sets out development activity for Carlisle to realise its historic and cultural potential:

- Strategic Development Priorities
  - Reducing the impact of the Inner Ring Road between city centre and Castle by downgrading the route following the completion of the relief road.
  - Development of a Cathedral Quarter, mixing ecclesiastical buildings with new residential and leisure activity.
  - Enhancing the role of the city in telling the story of Hadrian's Wall and acting as a key hub, in particular through further development of Tullie House.
  - Development of the Castle as a key destination with improved visitor facilities.
- Complementary Projects
  - High quality public realm enhancement of the Crescent and Court Square to provide a world class environment on entering the city by rail (and road from the south).
  - Architectural lighting of city walls and key buildings in the town.
  - Reinterpretation of the City Gates – English Gate, Irish Gate and Scotch Gate – through sculpture or public realm improvements.
  - Potential redevelopment of City Council offices as part of a review of built form in the north east corner of the city centre and roundabout to form a 'Scotch Gate Masterplan'.
  - Enhancement of key links within the town.
  - Possible new park along West Walls to enhance setting of town walls and provide attractive drop off point for a potential park & ride scheme.

- Encouragement of the use of the main square as an event location.

Cumbria Rural Action Zone programme (2003 – 2008)

7.47 Rural Regeneration Cumbria (now merged into Cumbria Vision) is responsible for delivering, this £40 million programme, the priorities for which are set out in the 2004 document *New Landscapes* and include plans for major investment in the land-based, rural tourism and landscape management sectors.

7.48 Additional support for these sectors will also be available via the new Rural Development Programme for England (2007 – 2013), discussed below.

Rural Development Programme for England

7.49 In June 2005, the European Agricultural Fund for Rural Development was approved under the Common Agricultural Policy for the period 2007 – 2013, with the following measures available for funding:

- Axis 1: Improving the competitiveness of the farming and forestry sectors
- Axis 2: Improving the environment and countryside
- Axis 3: Rural quality of life and diversification of the rural economy
- Axis 4: LEADER

7.50 DEFRA is due to submit a Rural Development Programme for England (RDPE) to the European Commission in December 2006, which will allow release of this funding, with Axis 2 managed centrally by Natural England and the Forestry Commission, due to receive 80% of the funding allocation.

7.51 The NWDA has responsibility for establishing the Axis 1 and 3 programmes in the North West, and the draft Cumbria RDPE Sub-regional Implementation Plan (SRIP) addresses the territory covered by 'rural' Cumbria, which comprises around a half of the county's population (i.e. excluding the five largest towns: Carlisle, Barrow, Workington, Whitehaven and Kendal).

7.52 In looking to the delivery of the Rural Development Programme for England (2007 – 2013), the Cumbria SRIP seeks to establish some important principles:

- rural development activity should be accessible to the largest possible proportion of the rural population
- rural development in Cumbria should build on existing structures and experience
- future rural development should engage local stakeholders wherever possible, learning from the current operation of LEADER programmes in Cumbria.

7.53 The SRIP proposes that the whole of rural Cumbria will be covered by two Local Action Group areas: roughly speaking south and north areas wholly within the county with the

creation of a new LEADER covering the Solway, Border & Eden Valley that would include a population of 31,970 drawn from within Carlisle's rural communities.

7.54 Under Axis 1 and 3, a wide range of SRIP actions are proposed for Cumbria, centred around a wide raft of business support measures, support for producer groups, farm diversification projects, tourism support and provision of basic services for the rural population, much of which would be available to Carlisle's rural communities.

Safer Homes Scheme

7.55 The Safer Homes Scheme in Carlisle has contributed to dramatic reductions in domestic burglary[51]. The scheme involves a representative on behalf of Cumbrian police providing free security assessments to bring home security up to the national minimum standard. In addition, Carlisle Housing Association manages the Safe as Houses project, which complements the activity of the Safer Homes Scheme.

Cumbria Destination Management Plan

7.56 The Cumbria Destination Management Plan identifies "Visiting Friends and Relatives" and "Day Visits" as strong growth and steady growth tourism areas respectively. Carlisle and market towns are key target locations for this activity.

Figure 7-2 Cumbria Destination Management Plan – Priorities for Action

Market	Overall Trend	What	Where
Visiting Friends and Relatives	Strong Growth	Retail, Food & Beverage & Nights out	Carlisle & Market Towns
Corporate Business	Steady Growth	Budget & 4 Star Hotels	M6 Corridor
Conferences and Exhibitions	Steady Growth	Hotels, Conference Centres	Near M6, Central Lakes
Long Holidays (+7 Nights)	Steady Decline	Character Self Catering and Farm Stay	Scenic Rural Areas
Medium Breaks (4-7 Nights)	Stable	Character Self Catering and Farm Stay	Scenic Rural Areas
Short Breaks (1-3 Nights)	Steady Growth	Character Self Catering, quality independent & branded hotels	Central Lakes, M6 Corridor
Day Visits	Steady Growth	Retail, Food & Beverage & Nights out	Carlisle, Market Towns, Resorts

Source: Cumbria Destination Management Plan, 2005/06

Hadrian's Wall and Carlisle Renaissance

7.57 Cumbria's Destination Management Plan identifies Hadrian's Wall and Carlisle Renaissance as one of its five key geographic priorities/themes selected as a focus for tourism activity in Cumbria during 2006-07. The Wall attracted in excess of 500,000 visitors in 2003, with additional investment and management projected (Economic Research Associates Economic Impact Assessment, March 2004) to drive numbers up to 1.2 million by 2010.

[51] How we are building pride in Cumbria – self assessment, Cumbria County Council, 2006

The Big Cumbrian Survey

7.58 Cumbria County Council and its partner organisations have commissioned the independent research and polling organisation Ipsos MORI to carry out a quality of life survey across the county. The Big Cumbria Survey was launched on 25th July 2006, with the aim of establishing local opinions across a range of quality of life issues.

7.59 Specific information that is being recorded includes local opinions on:

- provision of services and facilities
- local environment and levels of improvement
- sense of community and perceived safety
- transport and mobility
- overall view of quality of life.

7.60 Data is currently being collated, and the County Council has informed us that it will be available shortly.

Summary SWOT – Quality of Life

Table 7-2 Summary SWOT – Quality of Life

Strengths	Weaknesses

• Strong heritage assets: castle, cathedral, western hub of Hadrian's Wall, Tullie House Museum, street plan, market square, Carlisle-Settle railway.
• Attractive environmental assets:
  ➢ Hadrian's Wall World Heritage Site
  ➢ High quality waterways
  ➢ High quality rural landscapes
  ➢ Talkin Tarn near Brampton
  ➢ The River Caldew in Dalston is a SSSI and a candidate for Special Area of Conservation
• Substantial, clean and modern retail offer in The Lanes and pedestrianised areas of city centre
• Successful established events such as Christmas in Carlisle and the continental markets
• Recently strengthened evening economy at Botchergate
• Significant sporting assets in Carlisle United FC and Carlisle Racecourse
• Strengths of rural towns as 'second tier' service centres
• Safer Homes Scheme has dramatically reduced domestic burglaries
	• Under-exploitation of Carlisle's tourism potential, to date, with relatively limited resources applied to destination marketing, and under-investment in the visitor experience at some of the city's key heritage assets
	• Lack of any four star hotel limits Carlisle's business tourism and higher value leisure tourism potential
	• Insufficient range and quality of restaurants/bars in the city centre
	• Lack of a high quality performing arts venue of a scale appropriate to Carlisle's role as a sub-regional centre
	• The inner ring road acts as a physical barrier to the cultural development of the City
	• Low levels of environmental interpretation and management of public realm (e.g. poor integration of the River Esk with Longtown town centre)
	• Very limited access to services for rural residents
	• High levels of car dependency and low levels of waste recylcling

Opportunities	**Threats**
• Potential to exploit the city's leisure tourism potential, based on strong heritage and environmental assets • Potential to develop Carlisle's business tourism and conference infrastructure/offer • Opportunities to strengthen the retail offer further, through attracting high quality specialist shops to the city centre • Potential for greater vibrancy of the city centre, with increasing numbers of students at University of Cumbria • Potential for joint or partnership destination marketing approaches (e.g. Hadrian's Wall, retail cluster, Carlisle-Settle railway, Gretna) • Opportunities to improve the visual amenity of the city, through development of brownfield land • Longtown, Brampton and Dalston offer service centre functionality, with the potential to develop as the focus for investment in the rural area	• Environmental and quality of life risks associated with climate change • Increased competition (Workington, Dumfries, Gretna Outlet Village, Penrith) to Carlisle's status as the area's leading retail centre • The limited capacity of transport infrastructure (roads, car parking, public transport services) could constrain visitor growth • An increase in anti-social behaviour and perceptions of the impact of anti-social behaviour • Evidence of threats to community cohesion and falling levels of volunteering in rural settlements • The challenge and cost implications of maintaining/improving access to services for rural residents

Annex A: Major employers in Carlisle

A.1 The following table provides examples of major employers in the district of Carlisle.

Table A-1 Examples of major employers in Carlisle

Private Sector	Public Sector
Border TV	Carlisle City Council
Carnaud Metal Box plc	Carlisle College
Carr's Agriculture	Cumbria County Council
McVities [United Biscuits/Carrs of Carlisle]	Cumbria Institute of the Arts
Cavaghan and Gray Ltd [Northern Foods]	Ministry of Defence (DSDA Longtown)
Cumberland Building Society	North Cumbria Acute Hospitals NHS Trust
Eddie Stobart Ltd [WA Developments]	St Martin's College
Enesco European Giftware Group Ltd	
Lloyd Motors	
Nestle UK Ltd	
Pirelli	
Send the Light	
WCF Ltd	

Sources: Carlisle City Council, Cumbria Chamber of Commerce, SQW

Annex B: High point industries in Carlisle

B.1 Table B-1 lists the 'high point industries' in Carlisle. These are defined as the 4 digit SIC sectors which employ more than 0.2% of the Carlisle workforce and have a location quotient against England of more than 1.25. The sectors are sorted based on the total number employed in the sector. Where NOMIS has indicated that employment numbers should be kept confidential we have indicated this with the letter 'C'.

Table B-1 – High point industries in Carlisle

SIC Code and Description	Number Employed within Sector	LQ against England
8511 : Hospital activities	C	1.47
6024 : Freight transport by road	1,512	2.90
1513 : Production of meat and poultry meat products	C	8.67
5010 : Sale of motor vehicles	1,100	2.33
5242 : Retail sale of clothing	1,070	1.54
5212 : Other retail sale in non-specialised stores	872	1.55
5510 : Hotels	849	1.45
1582 : Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes	C	16.00
9262 : Other sporting activities	717	2.00
6411 : National post activities	C	1.63
7513 : Regulation of and contribution to more efficient operation of business	C	6.00
7522 : Defence activities	C	2.25
5246 : Retail sale of hardware, paints and glass	C	1.80
6021 : Other scheduled passenger land transport	C	1.80
9302 : Hairdressing and other beauty treatment	469	2.25
9133 : Activities of other membership organisations not elsewhere classified	439	2.00
7020 : Letting of own property	435	1.33
5147 : Wholesale of other household goods	C	1.75
6412 : Courier activities other than national post activities	334	2.00
5244 : Retail sale of furniture, lighting equipment and household articles not elsewhere classified	299	2.00
5247 : Retail sale of books, newspapers and stationery	284	1.67
6010 : Transport via railways	C	2.50

SIC Code and Description	Number Employed within Sector	LQ against England
4542 : Joinery installation	278	2.50
2213 : Publishing of journals and periodicals	C	2.50
1581 : Manufacture of bread; manufacture of fresh pastry goods and cakes	C	1.67
5132 : Wholesale of meat and meat products	C	5.00
7032 : Management of real estate on a fee or contract basis	C	1.67
5030 : Sale of motor vehicle parts and accessories	251	1.67
1551 : Operation of dairies and cheese making	C	5.00
5245 : Retail sale of electrical household appliances and radio and television goods	C	1.33
9131 : Activities of religious organisations	C	2.00
3430 : Manufacture of parts and accessories for motor vehicles and their engines	C	1.33
2621 : Manufacture of ceramic household and ornamental articles	C	4.00
5188 : Wholesale of agricultural machinery and accessories and implements, including tractors	C	4.00
2811 : Manufacture of metal structures and parts of structures	C	1.50
5243 : Retail sale of footwear and leather goods	C	1.50
5050 : Retail sale of automotive fuel	C	1.50
5152 : Wholesale of metals and ores	C	3.00
5224 : Retail sale of bread, cakes, flour confectionery and sugar confectionery	159	1.50
7110 : Renting of automobiles	C	3.00
4523 : Construction of highways, roads, airfields and sports facilities	C	1.50
4550 : Renting of construction or demolition equipment with operator	C	3.00
5222 : Retail sale of meat and meat products	119	2.00
5233 : Retail sale of cosmetic and toilet articles	C	2.00
8520 : Veterinary activities	C	2.00
9211 : Motion picture and video production	C	2.00
9303 : Funeral and related activities	C	2.00
4545 : Other building completion	C	2.00

Source: ABI

Annex C: Summary SWOT tables

Business

Strengths	Weaknesses
• Relatively diverse economy, in terms of the spread of sectors and business sizes, providing some inherent stability in the face of industry cycles • Major existing food cluster on which to build • Other important strengths in transport, retail and sub-regional service centre functions • Relatively high recent rates of VAT registrations, combined with low de-registration rates, which results in growing business stock • Relatively high rates of business survival • Established business networks through the Cumbria Chamber of Commerce and Industry's affinity groups, such as LEAG, the Large Employers Affinity Group • Substantial voluntary sector activity	• Employment is currently dominated by relatively low productivity sectors • Under-representation of businesses in SIC sections J&K (Financial intermediation; Real estate, renting and business activities), which are the UK's strongest economic growth areas • Lack of research and development base • Relatively low ICT usage amongst businesses • Fragmented enterprise support, with little sharing of best practice between support organisations
Opportunities	**Threats**
• Opportunities for increased business-HE interaction, through the establishment of University of Cumbria, based in Carlisle • Opportunities for obtaining regional support for developing key clusters – both in areas where Carlisle is already strong (the food cluster), and in areas where Carlisle needs to address weaknesses (e.g. digital and creative industries, and business and professional services) • Opportunities associated with addressing climate change, including the reinvigoration of local markets, and opportunities associated with nuclear energy • Opportunities for Carlisle businesses to access markets outside Carlisle/Cumbria/UK, enabled by better use of ICT • Potential for the Cumbria Digital Development Network to bring substantial resources to the exploitation of ICT by Carlisle's businesses • Opportunities for growing tourism-related business • Opportunities for improvements in public sector leadership and productivity, through potential re-structuring in response to the Local Government White Paper	• Potential shocks to the Carlisle business base, from major employer re-structuring/re-location decisions • Potential further employment reductions in the (relatively high productivity) manufacturing sector • Impact of EU Common Agricultural Policy reforms on Carlisle's agri-food sector (though this could also present opportunities) • Risks associated with the Business Link restructuring, which is built around the North West priority sectors – most of which are not well represented in Carlisle • Risks associated with a potential move to localisation in response to the need to reduce carbon emissions, given Carlisle's relative remoteness from major centres of population

Skills and education

Strengths	Weaknesses
• Pockets of high performance at certain state schools and independent schools • Improvements in work based learning and vocational skills attainment • Improvements in the level of 'Skills for Life' basic skills provision and success rates	• Three of the eight maintained secondary schools have been put into 'special measures' over the last two years • GCSE attainment levels below national averages • A relatively low proportion of Carlisle 16 year olds continue with education and training. A relatively high proportion of young people are in jobs offering no training. • Relatively low levels of higher level skills (NVQ3+ and NVQ4+) in Carlisle's working age population • Many people with higher level qualifications leave the area for education/jobs elsewhere • Limited and fragmented HE provision • Relative lack of graduate employment opportunities in Carlisle • Difficulties in attracting professionals to live and work in Carlisle • Skill shortages in key sectors of the local economy (engineering, technical and construction)

Opportunities	Threats
• Potential for enhancing the quality of provision and therefore pupil outcomes from major improvements in Carlisle's secondary education, through the re-structuring proposals • Prospect of enhanced participation, scope and quality of FE provision, following the major investment in Carlisle College buildings • Future development of Carlisle Learning Village proposals, including the proposed 14-19 Centre, and engagement of more local businesses in skills and education development • The creation of the University of Cumbria and its wider sub-regional distributed learning network providing local young people improved and expanded HE provision locally and attracting talent from outside the county	• Changes to regional delivery of Learning and Skills Council may reduce sub-regional influence on future investment • Risk of delays in implementation of Carlisle Renaissance proposals, impacting on future secondary school restructuring • Risks of too many expectations being placed on the University of Cumbria – the new university will take time to become established, and the economic benefits will take time to come through

People and jobs

Strengths	Weaknesses
• Relatively diversified local economy, having created new employment opportunities in the face of a decline in manufacturing • Low levels of unemployment and high levels of economic activity • Strong recent population growth, providing an expanding local market for Carlisle businesses	• Relatively small total population and local labour market. • Limited options for residents to commute to work outwith the Carlisle area (two hours drive or more from the major conurbations of Liverpool, Manchester, Glasgow and Edinburgh) • Relatively old population, with a working age population in decline • Many young people have low aspirations/expectations for their future work life • Pockets of severe multiple deprivation, particularly in Carlisle South • Poor access to services in parts of rural Carlisle
Opportunities	**Threats**
• Potential to attract new migrants from elsewhere in the UK and overseas – of working age, as well as retirees – as people seek a better quality of life for themselves and their families • Carlisle Renaissance offers the prospect of connecting deprived communities better with job opportunities and with the rest of the city • Potential for nuclear decommissioning work in West Cumbria for some Carlisle residents • Opportunities in the employment and training of older workers • Business opportunities associated with the provision of goods and services to increasing numbers of elderly residents • Opportunities to benefit from the contribution of well-educated Eastern European inward migrants, and their entrepreneurial potential • An apparent trend towards more high-performing school leavers choosing to stay local (partly to avoid student debt by staying at home during their study)	• Potential shocks to the Carlisle labour market, from major employer re-structuring/re-location decisions • Potential further employment reductions in the (relatively high productivity) manufacturing sector • Increasing competition for talent from other areas of the UK • Potential tensions between local residents and inward migrants

Infrastructure

Strengths	Weaknesses
• Carlisle is recognised as a 'regional city' and a centre for 'major development' in the North West region • Good road and rail links in the M6 and the West Coast Main Line • Strong retail and industrial property markets • Healthy levels of housing completions and sales, with a more sustainable pattern of urban and rural development emerging • The Regional Investment Site at Kingmoor Park • Near 100% coverage of affordable broadband (DSL) infrastructure, with local loop unbundlers also offering services from Carlisle exchange	• Relative remoteness from major centres of population, leading to long journey times • Much of Carlisle's secondary industrial space is unsuited for modern needs • Limited city centre office market, and a lack of incubation and/or easy-in/easy-out facilities for modern knowledge economy businesses • Take up of employment land has been low, at about half the Structure Plan allocations • Carlisle suffers from through traffic, contributing to localised congestion and public transport delays on radial routes • Single carriageway on the A69 route to the east • Carlisle currently lacks a passenger airport • Limited rail services to West Cumbria and across the Pennines • Reports of a lack of affordable housing and of executive housing • No cable broadband coverage (i.e. from NTL Telewest), limiting infrastructure-level competition
Opportunities	**Threats**
• Opportunities for physical regeneration of the city, and improved movement about the city, through the Carlisle Renaissance proposals • Potential for the Eden & Peterill and Caldew & city centre flood alleviation schemes to revitalise the waterfront and help achieve urban renaissance • Potential for exploiting the reduced rail journey times (e.g. to London) as a result of the West Coast Main Line modernisation • Opportunities associated with air freight services at Carlisle Airport, as a result of WA Developments investment, and the potential for passenger services in the future • Potential for significant road transport improvements to/from/around Carlisle, with the current upgrade of the A74 between the M6 and the A74(M), the planned Carlisle Northern Development Route, and proposed improvements for the A595/6 and A69 • Significant potential for future growth in employment premises, with Local Plan employment land allocations providing a total of 172 hectares of urban employment land and 36 hectares of rural employment land from 2001 to 2016, representing a supply of 14 hectares per year overall • Potential re-use of surplus agricultural buildings as employment or affordable housing stock	• Failure to address the legacy of the floods could risk realising the opportunities for an urban renaissance. • The shift of demand for industrial property to the north of the city, could make it more difficult for those living in deprived areas of Carlisle South to access employment opportunities • Delays in agreeing the way forward for Carlisle Renaissance proposals could risk the city missing out on the profile and window of opportunity presented by the 2005 floods

Quality of life

Strengths	Weaknesses

• Strong heritage assets: castle, cathedral, western hub of Hadrian's Wall, Tullie House Museum, street plan, market square, Carlisle-Settle railway.
• Attractive environmental assets:
  ➢ Hadrian's Wall World Heritage Site
  ➢ High quality waterways
  ➢ High quality rural landscapes
  ➢ Talkin Tarn near Brampton
  ➢ The River Caldew in Dalston is a SSSI and a candidate for Special Area of Conservation
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• Recently strengthened evening economy at Botchergate
• Significant sporting assets in Carlisle United FC and Carlisle Racecourse
• Strengths of rural towns as 'second tier' service centres
• Safer Homes Scheme has dramatically reduced domestic burglaries
	• Under-exploitation of Carlisle's tourism potential, to date, with relatively limited resources applied to destination marketing, and under-investment in the visitor experience at some of the city's key heritage assets
	• Lack of any four star hotel limits Carlisle's business tourism and higher value leisure tourism potential
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