



**Westmorland
& Furness
Council**

UK Shared Prosperity Fund and Rural England Prosperity Fund - challenges and opportunities for Westmorland and Furness

The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's Levelling Up agenda and provides £2.6 billion of funding for local investment by March 2025. The Fund aims to improve pride in place and increase life chances across the UK investing in communities and place, supporting local business, and people and skills. For more information, visit <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>

The Rural England Prosperity Fund (REPF) funds capital projects for small businesses and community infrastructure. This will help to improve productivity and strengthen the rural economy and rural communities. The REPF is integrated into the UKSPF which supports productivity and prosperity in places that need it most. It supports activities that specifically address the particular challenges rural areas face. For more information, visit <https://www.gov.uk/government/publications/rural-england-prosperity-fund-prospectus/rural-england-prosperity-fund-prospectus>

Westmorland and Furness is a new unitary council, formed on 1 April 2023, with an ambition for sustainable and inclusive growth and a commitment to making Westmorland and Furness a great place to live, work outlines the wider challenges we face, our key priorities and also summarises our vision, priorities and <https://www.westmorlandandfurness.gov.uk/your-co-plan>





Westmorland and Furness Council covers the areas previously administered by the councils of Barrow, Eden and South Lakeland in Cumbria. By geography, we're the third largest authority in England, home to 225,000 people, some of the country's most stunning landscapes and its most hi-tech businesses. On our coast is Barrow-in-Furness, a historic shipbuilding town and port now with cutting-edge subsea technology industries, while inland South Lakeland and Eden have a rural, land-based economy with a strong visitor draw.

Westmorland and Furness faces a number of key challenges and opportunities which span the three UKSPF and REPF investment priorities of Community and Place, Supporting Local Business and People and Skills. Our latest research and evidence, insights from existing policy and strategies, as well as our stakeholder engagement, identifies the following challenges that we will aim to address and the opportunities we will look to take advantage of through investment from the UKSPF and REPF.

Community and Place

Challenges for our communities and places

Demographic challenge

Westmorland and Furness is facing a serious demographic challenge that is expected to worsen in the next decade. The population of the unitary authority area has only increased by 0.8% since 2011, with a decline in children and working age residents and an increase of some 17% of older age residents. This is a trend which is expected to continue through to the early 2040s. Westmorland and Furness is expected to experience a slower rate of population growth than the national average at 5% over that period compared to 10% in England. These projections forecast a 4% loss in working age residents in Westmorland and Furness by 2043, whilst the older demographic will increase by 23%. An ageing population will place increased dependency on services in the district including health and social care.





This cohort are also more likely to be affected by the national cost of living crisis. Furthermore, the loss of young and working age residents will create a labour market challenge to support economic growth. Efforts to grow the working age population rely on access to quality affordable housing, quality jobs and supporting infrastructure.

Deprivation challenge

Although overall Westmorland and Furness is a reasonably prosperous unitary authority with many residents experiencing low levels of deprivation, within the area clear deprivation challenges can be seen, particularly in the former Barrow Borough Council area. 24% of LSOAs (Lower Super Output Areas) in the former Borough are in the top 10% most deprived nationally. Across individual domains of deprivation, Barrow Borough performed particularly poorly in relation to health (over half of all LSOAs in the borough are in the 10% most deprived in England), in addition to significant deprivation in the living environment and employment. Barrow Borough had one of the highest levels of need for economic recovery on the government's Priority Places Index which is informed by measures such as GVA per hour worked, unemployment rate, and proportion of working age population without formal qualifications.

There are also concentrations in mid-level deprivation elsewhere in Westmorland and Furness. In particular, 8 LSOAs within the former South Lakeland district are among the 10% most deprived nationally for Living Environment. This considers indoor living environment as measured by the quality of housing, whilst the outdoor living environment considers air quality and road traffic accidents involving pedestrians and cyclists.

There are areas in the former Eden district that are within the top 30% most deprived areas of England, including central Penrith and to the south of the district in Appleby-in-Westmorland and Kirkby Stephen. Eden exhibited a high level of need for regeneration on the Priority Places Index (66th out of 368 local authorities) which reflects commercial voids and long term dwelling vacancy rates.





Environmental challenge

Climate change and biodiversity loss are global issues, impacting everyone. Climate events have had direct and devastating impacts on our area. During Storm Desmond in 2015 2,752 residential properties and 522 business properties were flooded in Westmorland and Furness.

Westmorland and Furness Council is working hard to ensure that the area we serve and our organization becomes carbon net zero by 2037 as soon as possible. We will provide leadership in the drive to become carbon net zero, including supporting and promoting environmentally friendly forms of travel such as making it easier and safer to walk and cycle in our area. We will address biodiversity loss by encouraging better land management, habitat creation, tree planting and net biodiversity gain. We will lead the way to help reduce the loss of species, improve green spaces, and support a more sustainable local food system.

Accessibility challenge

South Lakeland ranked as the 60th most in need authority for improved transport connectivity on the DLUHC Priority Places Index which is informed by evidence on average journey times to employment centres by car, public transport and bike. The rurality of South Lakeland limits access to basic services, town centres and places of employment.

The highest contributor to carbon emissions in South Lakeland is transport emissions, which contributes 44%. Overall, South Lakeland produced more CO₂ per capita (8.2t) than the national average (5.6t).

Eden had one of the highest levels of need for improved transport connectivity (11th out of 368 local authorities) on the government's Priority Places Index. Within the specific domains of the Index of Multiple Deprivation, deprivation in Eden is often a side-effect of the district's rural nature. A large geographical area and small population leads to challenges for many rural residents in their ability to access important services. Nearly one in three LSOAs in the former district are within the top 10% of most deprived LSOAs in England for the domain of deprivation of housing





and services which includes geographical barriers such as the road distance to services.

Transport emissions accounted for 46% of CO₂ in Eden, illustrative of car dependency in the district in addition to the presence of major roads such as the A66 and M6.

There is need to improve active travel, EV infrastructure, public transport and basic infrastructure to support safe and effective movement connecting people to jobs, training, services and visitor destinations. Investment in accessibility improvements will help to reduce deprivation, lower transport related emissions, and improve the physical and mental health and wellbeing of our community.

Vitality challenge

Town centres have been heavily impacted by changing consumer patterns and a shift to online retail, which has been accelerated by the pandemic, contributing to declining footfall, reduced spend and commercial vacancies. However, with the gap in digital skills, the older demographic still heavily relies on town centres to cater to health, wellbeing and social needs. There is the need to make town centres more accessible for the older demographic as well as providing a broader offer to attract residents and visitors to the area and support improved access to services. The visitor economy is a key driver of the Westmorland and Furness economy, and there is a need to ensure that town centres can provide an experiential offer which attracts tourism spend.

Barrow Borough ranked as the 52nd most in need local authority for regeneration on the national Priority Places index used by government to assess the need for levelling up funding. This measure reflects the proportion of void commercial properties (6%) and dwellings which are long term vacant (3%) in the borough. The Access to Healthy Assets and Hazards (AHAH) Index points to the poor quality of the retail offer in Barrow, with a higher proximity to pubs, off licences and gambling outlets contributing to unhealthy lifestyles, and a 16% vacancy level in the town centre. The Borough attracted 3 million visitors in 2019, with an economic impact of





£124m according to STEAM data. However, the Borough was the lowest performing in Cumbria, accounting for only 6.3% of visitors and 4% of economic impact. This is despite proximity to the Lake District National Park which attracted 19.9m visitors in 2019. The borough had a significantly lower than national average engagement and participation in arts, museums and libraries (68% compared to 76%).

Wellbeing challenge

Concentrations of living environment deprivation in Westmorland and Furness undermine health, wellbeing and quality of life.

Parts of Westmorland and Furness have a significantly higher-than-average prevalence of heart disease, stroke and diabetes compared to the national average. Overall levels of wellbeing and life satisfaction are high in the former South Lakeland and Eden districts, but anxiety has increased at a greater rate than the national average.

Barrow Borough was the fifth most deprived district for health deprivation and disability in the country, according to the Indices of Multiple Deprivation. 18 LSOAs in the former Barrow Borough are in the top 10% most deprived nationally on the living environment domain. This measure reflects housing in poor condition and without central heating, poor air quality, and road traffic accidents involving injury to pedestrians and cyclists.

Barrow Borough had a lower life expectancy than the national average, at 77 years for males relative to 80 nationally, and 81 years for females versus 83 nationally. Public Health England identified a 12-year difference in life expectancy between the poorest and most affluent wards in the borough. The borough had a higher prevalence of heart disease, stroke and diabetes than the national average. 24% of the borough's population are classified as inactive, and 67% of adults are overweight or obese, more than 5% higher than the national average.

Poverty and physical inactivity have been identified to have strong implications for mental health, which disproportionately affects those already living in poverty and the most vulnerable communities in society. The ONS Personal Well-being Estimates





2020 show greater decreases in reported happiness, life satisfaction and feelings of worthwhile in Barrow Borough compared to Cumbria and England. Anxiety has increased at a significantly greater rate than the national average.

Half of Eden's LSOAs were in the top 10% most deprived nationally on the living environment domain. This considers both the quality of the housing in the former district but also the outdoor environment which covers road traffic accidents involving pedestrians and cyclists.

Ensuring access to health services and infrastructure which can facilitate healthy lifestyles can mitigate these risks.

Cost of living challenge

The current cost of living crisis in the UK is creating challenges for households in Westmorland and Furness who are facing rising energy costs, inflation, increased taxation and higher prices for goods and services. The rurality and car dependency of Westmorland and Furness presents a particular issue in relation to rising fuel costs. It is estimated that on average 14.8% of households in the Westmorland and Furness area in 2021 were experiencing fuel poverty, reaching as high as 25.4% in some wards. Given the rise in energy costs since the start of the war in Ukraine it is likely that these figures are now even higher.

Living environment deprivation points to the quality of poor housing. Measures such as the provision of active travel infrastructure and support with the retrofitting of housing can mitigate against these rising costs whilst supporting net zero.

Opportunities to develop thriving communities and places

Strengthening town centres through a diversified offer

Westmorland and Furness has significant natural capital assets supporting growth in the visitor economy, including the Lake District and Yorkshire Dales National Parks and the Arnsdale & Silverdale and North Pennines Areas of Outstanding Natural Beauty. There is the opportunity to attract and disperse visitors within Westmorland and Furness to capture spend in town centres to support vitality. Westmorland and





Furness has a wealth of cultural assets which help to create pride and social cohesion in the area.

Barrow is the main commercial, retail and cultural centre serving adjacent settlements including the historic market town of Dalton, Askam village, and the wider Furness Peninsula with a residential catchment of some 83,000. There is significant transformation underway in the former borough led by planned major investment including the £25m Town Deal, £17.5m Levelling Up Fund, and the £3m Borderlands Place Programme which is driving change in Barrow and Dalton town centres. These investments seek to transform the role and perception of the towns through an enhanced leisure, arts and cultural offer, alongside investment in education, transport and housing.

The town centres of Barrow and Dalton can play a valuable role in supporting growth in the visitor economy, including providing a compelling offer which provides reasons for more people to visit and stay longer and spend more. The borough is experiencing major growth in the advanced manufacturing and clean energy sector, driven by investment such as the AUKUS submarine project, £40bn Dreadnought Defence programme and Round 4 Crown Estate offshore wind leasing. The town centres of Barrow and Dalton need to respond to these drivers of economic growth to provide an attractive offer which attracts workers to the area and captures the spend of these high value workers.

The other key service centres in Westmorland and Furness are Kendal, Ulverston and Penrith. As historic market towns with a number of significant cultural and heritage assets and diverse retail and visitor offers these places provide hubs of economic and social activity for local residents and tourists, with Ulverston and Penrith also due to benefit from £3m of investment each from the Borderlands Place Programme. However, like many towns up and down the UK they have struggled with the impacts of harsh national economic conditions, the Covid-19 pandemic and the changing nature of high street and retail activity driven by the rise in online shopping.





All town centres in Westmorland and Furness need to respond to drivers of economic growth which attracts residents and workers to the area and captures their spend locally. In addition, town centres can provide a supportive business environment to facilitate enterprise and business growth including the provision of incubation and flexible workspace, and a range of housing options to meet the demands of a changing demographic. Vacant and underutilised units can be repurposed with new uses in response to these opportunities and inject vitality and footfall into the town centres.

Harnessing social capital

Interventions which facilitate an improved sense of belonging and enhanced community resilience and cooperation can build pride in place and quality of life. There is a need to put residents at the heart of public service delivery through a collaborative response to drive transformation and inclusive growth and equip people with the skills and confidence they need to achieve their potential. Improving life satisfaction will help to attract and retain young people and families in the area. Residents of the former South Lakeland and Eden districts have higher life expectancy than national average and with the growing proportion of older residents, there is the opportunity to capitalise on social action and volunteering opportunities to add to the wellbeing and quality of life of older residents.

Quality of life offer

Westmorland and Furness has a strong offer to prospective residents. The relatively affordable housing offer in some parts of the unitary authority outside of the Lake District and Yorkshire Dales National Parks provides a strong incentive to potential residents seeking larger homes in both urban and rural areas at an affordable rate. Cumbria Constabulary reports low levels of crime in the former South Lakeland and Eden areas. Low crime rates contribute to the positive perception of an area and therefore improve the ability for that area to attract both new residents and businesses.





Leveraging the Westmorland and Furness offer of an affordable and safe location to younger families and people of working age would present a clear opportunity for the unitary authority to overcome the demographics challenges that it is facing.

Building Pride in Place

Westmorland and Furness has a rich culture, heritage and natural capital offer to support enhanced quality of life. According to the RSA Heritage Index, the former South Lakeland and Eden districts had some of the highest heritage scores in England, ranking 6th and 13th respectively. Barrow Borough was ranked the third highest in England for the number and quality of its natural landscapes and assets, but 282nd for how its communities use their landscape. Leveraging these assets through investment and promotion will attract and retain residents, visitors and businesses to the area.

Data from the Active Lives Survey shows that the 75% of adults in the former South Lakeland district attended an arts event, museum or gallery or spent time doing an arts activity in the last 12 months, this is higher than the national average of 70%. Local cultural, heritage and tourism assets need increased promotion to capitalise on the visitor economy and their ability to continue providing benefits for local residents.

Harnessing cultural assets as a source of pride and economic growth

To enhance the life experience for residents and visitors to rural Westmorland and Furness efforts to regenerate cultural and heritage assets in the district will instil local pride in the district and further attract visitors to our rural areas. There is a strong tourism sector with potential to increase overnight staying visitors. There is a need to spread the benefits, and manage the impacts, of the visitor economy through facilitating the 'attract and disperse' strategy being implemented by the Lake District National Park.

Supporting community resilience

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Barrow Community Local Resilience Forum has successfully piloted multi agency working in the past two years and demonstrated how this has delivered improved outcomes. The presence of anchor institutions in the former Barrow Borough with a strong sense of corporate social responsibility has also delivered significant economic and social value locally. Capitalising upon these assets and networks can build momentum through social action and volunteering to tackle key issues and build community pride and wellbeing. There is also significant scope to increase social enterprises and community businesses, which are currently underrepresented in Barrow, accounting for only 7% of Cumbria's total stock, relative to 13% share in population.

Unlocking strategic and local opportunities of the M6 corridor

Westmorland and Furness is well placed to contribute to national priorities around the digital and cyber sectors and the wider knowledge economy and creative industries. The M6 corridor has been identified as a potential economic growth corridor to drive this particular agenda.

Supporting Local Business

Challenges for our local businesses

Reliance on vulnerable business sectors

Agriculture & mining, retail and hospitality, leisure & recreation are major sectors in Westmorland and Furness. These sectors are subject to impacts of high inflation, supply chains delays, Covid-related restrictions and recovery and public austerity. These lower value sectors need to be supported to be resilient, scale up and grow to move up the value chain.





Tourism is a key sector within the Westmorland and Furness economy, particularly in the former South Lakeland and Eden districts. The hospitality, leisure and recreation sector employs some 15,500 people in these areas (18% of total employment). The impact of COVID-19 had a catastrophic impact on the tourism industry, leading to a significant loss in economic output. According to Tourism in Cumbria 2020 – Key Facts and Trends South Lakeland and Eden districts collectively saw a decrease of 51% in tourist numbers and 50% in tourism revenue, equivalent to a loss of 11.6m visitors and £869m in revenue.

The impact of the pandemic highlights the need to support the district to recover and rebound the visitor economy. Significant challenges continue to face the sector as we emerge from the pandemic including labour shortages, rising costs and supply issues. Labour shortages are exacerbated by travel to work and affordable housing issues in the district.

South Lakeland experienced a substantial loss in economic output in 2020 as a result of the pandemic, with a loss of £339m in total GVA between 2019 and 2020 (-14.2%). These losses were experienced across all sectors, with notable losses including accommodation and food service activities (-£122m or -85.9%). Smaller scale losses in absolute terms but significant in relevant terms include wholesale and retail (-£44m or -15.6%), and arts, entertainment and recreation (-£18m or -69.2%).

Eden also experienced a substantial loss in economic output in 2020 as a result of the pandemic, with a loss of £220m in total GVA between 2019 and 2020 (-17%). These losses were experienced across all sectors, with notable losses including accommodation and food service activities (-£75m or -94%). Smaller scale losses in absolute terms but significant in relevant terms include wholesale and retail (-£21m or -16%), construction (-£24m or 29%) and manufacturing (-£19m or 10%).

More than one in three businesses in the former Eden district operates in the Agriculture, forestry and fishing sector. While this presents opportunity in terms of specialisation, there is a risk that this level of sector dependency could jeopardise





the prosperity of the district during challenging times. This sector has been vulnerable to the impact of EU Exit in particular.

Productivity challenge

South Lakeland and Eden have historically faced a productivity challenge compared to the national average, with the gap staying constant over the past 5 years.

Productivity is relatively low compared to England, with GVA per job filled at £41k in South Lakeland and £46k in Eden in 2020 compared to £58k nationally. Increasing productivity will support business competitiveness and access to higher wages and improved life chances.

Slow business growth

Since March 2020 the business base in Barrow Borough has fallen by 8%, increased by 1% in Eden and fallen by 2% in South Lakeland, compared to a 19% increase nationally. In Westmorland and Furness as a whole the stock of active businesses fell by 1.4% between March 2022 and March 2023 alone. This indicates a less resilient and scalable business base and represents a significant challenge in terms of economic growth.

The Cumbria Business Survey 2020 identified significant challenges facing local businesses including the impact of the pandemic and EU Exit, in addition to skill shortage, export and access to finance issues. Key sectors in the borough have been exposed to the impacts of high inflation, supply chains delays, Covid-related restrictions, rising energy prices, and public austerity measures.

South Lakeland historically had low entrepreneurship with 6 business births per 1,000 working age residents compared to 10 in England. The lack of growth in Eden's commercial sector is a significant risk for the area's ability to secure future prosperity with a less resilient and scalable business base.

Furthermore, Barrow has lacked investment in R&D, with only 5% of Cumbria's Innovate UK funded projects taking place in the borough since 2004, which is under-represented in relation to the borough's share of Cumbria's business base (8%).





The Experian Economic Forecast expects that Westmorland and Furness will experience a GVA growth rate of 10.6% from 2023 to 2033, compared to 16.7% nationally.

Digital cold spots

Levels of digital connectivity are poor in many parts of Westmorland and Furness. This is preventing many residents from accessing key services and holding back Westmorland and Furness based businesses from reaching new markets or undertaking new innovative methods. Fast and reliable internet will continue to grow in its importance as a driver of competitiveness. With the shift in patterns to home working, good access to internet is also important in attracting and retaining a working age demographic to the area.

Dependency on major employers

The former Barrow Borough has a historic dependency on a small number of major employers and there is a need to support diversification and resilience in the economy. Important sectors include manufacturing, public administration, education and health, and retail. The dominance of BAE Systems as a major employer of some 10,000 workers represents both an opportunity and a challenge.

Barrow has extremely low levels of self-employment and entrepreneurship. This relative lack of an enterprise culture is not an uncommon issue in areas with one large single employer, but it highlights the issue of dependency and vulnerability to external drivers of change. There has been a decline in self-employment over the past five years, from 6% of 16+ adults classified as self-employed in 2015, to 2% in 2020, in comparison to 9% in England. In 2020 there were 170 new business births in Barrow Borough, and 275 business deaths, resulting in a negative net business start-up rate in the borough of -45 businesses.

Economic recovery challenge

Barrow Borough had one of the highest levels of need for economic recovery on the government's Priority Places Index. As a result of the pandemic, Barrow Borough





lost an estimated £160m (-9.4%) in GVA between 2019 and 2020. All broad sectors lost economic output, with the most exposed sectors including transportation and storage (-35%), accommodation and food services (-55%), and education (-24%). Businesses and sectors in the borough need support to recover, and to find new and innovative ways of producing output and increasing productivity to sustain long-term growth. Increasing productivity will support business competitiveness and access to higher wages and improved life chances.

Challenges for farming

Westmorland and Furness has around 2,600 farm businesses and 275,000 hectares of agricultural land covering 53% of Cumbria's total area. We are home to some of the most diverse farming enterprises from the uplands and high fells of the Lake District to the highly productive pastures of the Eden Valley.

The sector is facing significant challenge with inflation across major inputs such as Feed, Fertiliser, Fuel and Finance averaging well over 30%. Running alongside this, agriculture is facing the biggest change to agricultural support payments since 1947. The Basic Payment Scheme (BPS), which for many livestock farms makes up more than 90% of their net profit, will be at least halved by 2024 and phased out by 2028. Cumbria currently receives circa £91 million in BPS payments annually which equates to a drop in income to the district of £24 million, or £48 million over the life of the REPF programme. New environmental schemes are in the process of being developed but are currently under review and many elements will not be fully rolled out until after 2024.

Supporting farm businesses to invest in on farm diversification to develop new income streams, along with investing in new technology to address their carbon impact will go some way in helping address the income gap the loss of BPS will create to the economy. The farming community in the two districts employ 6,246 people which is 50% of the agricultural workforce in the county.

It is also recognised that farming helps create the cultural landscapes that are so important to Westmorland and Furness and the wider area and that there are





opportunities to invest in the cultural capital possessed by agricultural businesses to improve productivity and growth and generate new income streams. For example, the reuse of farm buildings for micro businesses or for community use.

Unstable markets

Many sectors in which the rural Westmorland and Furness economy depends on have challenges of instability. The agricultural sector is dependent on international market supply and demand that can result in dramatic price and cost fluctuations for producers. In addition to agriculture, many businesses in the local tourism and visitor economy have been harshly impacted by COVID-19. Ingrained uncertainty in the agriculture sector alongside recent market turmoil in the visitor economy has therefore created some serious market instability in some of the most important sectors in the district's rural economy.

Information failure

Imperfect information is available to businesses on how to sustain or grow a business. This can result in scale up businesses not taking up support or making sub-optimal choices and not achieving their full growth potential. Information failure is also present amongst the private finance market. The level of risk which is acceptable to the private finance market results in underinvestment in businesses which would benefit from financial support. Public intervention can enable funding so that this underinvestment gap is filled.

Opportunities to support our local businesses

Supportive business environment

A strong business support ecosystem will improve perceptions of Westmorland and Furness as a place to start and grow a business, stimulate entrepreneurship, and supports businesses to become more competitive, resilient, expand and grow. Investment in R&D, innovation and knowledge transfer can support business competitiveness and enable local businesses to diversify and access new markets through product and process innovation.





There are opportunities to facilitate enterprise and business growth, including the scale of supply chain opportunities associated with major employers such as BAE Systems and growth in the clean energy sector, and investment in higher education which can be leveraged to stimulate enterprise activity and skills development amongst students.

Businesses require support to internationalise and navigate the post EU trade landscape in order to access existing and new geographical markets. Buildings in town centres can be repurposed to provide high quality commercial properties, increasing the provision of affordable workspace, which will allow businesses to develop, expand and learn from one another, especially in co-working spaces.

Leading the way on Net Zero

Businesses in Westmorland and Furness are putting decarbonisation at the heart of their operations. We have production assets for offshore wind, gas, low carbon generation and storage opportunities and a fast growing sector in clean growth and innovation. We boast some of the largest offshore windfarms in the world.

Carlton Power has secured the Government's support – subject to final agreement – to build a green hydrogen hub in Barrow-in-Furness. Spirit Energy is moving forward with plans to convert its depleted South Morecambe and North Morecambe gas fields and Barrow Terminals into a world-leading carbon storage cluster, while innovative local businesses have won awards for the work they have done to support clean growth.

Capitalise on agricultural specialisms

The rural areas of Westmorland and Furness can capitalise on agricultural specialisms and create a local critical mass in the sector that will allow agri-businesses to innovate through agglomeration and strong supply chain relationships. Leveraging agricultural specialisms through appropriate levels of coordinated sector-specific business support and guidance creates scope for Westmorland and Furness to become a national leader within a high-value agri-tech supply chain that will contribute to local economic prosperity and support improvements in the unitary





authority's overall rates of productivity, embed environmental best practice and contribute to approaches that will benefit national food self-sufficiency. Diversification across the land based sector will also provide significant opportunities to develop, grow and sustain tourism as a key economic sector for the area.

Maximising natural capital

Significant opportunities are emerging in Westmorland and Furness due to the area's richness in natural capital assets. Many present-day agricultural businesses will be in a good position to utilise the assets of the district to contribute to the low-carbon and climate resilient ambitions of the UK. Many of the area's farmers will have the opportunity to help to alleviate adverse weather conditions such as flooding through effective land management. If these agri-businesses are supported to do this, through guidance within the context of a post-EU exit landscape and more general business support, Westmorland and Furness can ensure it is able to fully utilise its natural capital through collaboration to support sustainable economic growth and the net zero agenda.

Eden's economic prospectus 'Inspiring Eden' established a strategic ambition to utilise the natural capital of the district to further growth ambitions including a particular focus on the opportunities for growing and diversifying the visitor economy. The Cumbria Clean Energy Strategy outlines a number of opportunities including renewable energy technologies to support this ambition.

Opportunity sectors

Key opportunity sectors for the former Barrow Borough include the advanced manufacturing sector, clean growth sector, and the visitor economy. Creating the right conditions for these sectors to grow will facilitate job creation and productivity gains. This includes investment in Communities and Place and People and Skills to provide enabling infrastructure to attract and retain investment.

Cumbria's Local Industrial Strategy cites South Lakeland as a key destination for a Creative & Digital cluster, with a significant base in Kendal. Creating the right





environment for this sector to continue to grow will provide an opportunity for increased business growth and jobs in this sector.

Evidence of innovation-led growth

While productivity levels in South Lakeland and Eden are lower than national rates, there is evidence of existing innovation-led growth in the former districts. Eden punched above its weight within Cumbria for Innovate UK-funded projects, accounting for a higher proportion of projects than its business base would suggest.

Westmorland and Furness should strive to be an innovation hotspot within the region, capitalising on its unique sector offer amongst other factors. The area has particularly innovation strengths in manufacturing, clean growth and responsive technology. The opportunities presented by the M6 economic growth corridor (as mentioned above) will help to support this ambition.

This further highlights the area's potential to be a focused innovation hot-spot tackling issues of net-zero while also being able to ensure innovations occur across multiple sectors. Strengthening the low-carbon sector will capitalise on Westmorland and Furness's high capacity for green energy generation and high projected growth in low-carbon jobs.

Improving entrepreneurialism through business support

Maximising the growing levels of self-employment in Eden could strengthen a burgeoning entrepreneurial ecosystem in the former district. Despite the low growth in its business base since 2016, self-employment has grown at a rate of 18% in the same period compared to a -11% reduction nationally. Ensuring businesses and the self-employed have access to training and support on starting, sustaining and scaling up their ideas could help encourage further business activity.

Social enterprises and community businesses

Social enterprises and community businesses can work effectively to engage with people who are disadvantaged and provide valuable employment and volunteering opportunities.





Social enterprises provide opportunities for young people to be ready for work. Sectors such as tourism, hospitality and retail provide the opportunity for young people to develop valuable skills. These sectors already have a strong presence in Westmorland and Furness and can be continued to be supported to provide opportunities for growth.

People and Skills

Challenges for our local workforce and employers

Barriers to the labour market

The Westmorland and Furness area is one of great diversity. This diversity is one of our greatest assets but can also present challenges with some of our residents failing to have access to the same life chances and labour market opportunities. This can lead to a spiral of deprivation and subsequent health impacts.

Barrow

In the former Barrow borough 32.7% of working age residents are economically inactive, an 8.8 percentage point increase since March 2019 and equivalent to 3,400 additional working age residents. This is a significantly rate than the UK average of 21.7%. The main reason for economic inactivity in Barrow is long-term sickness (48% compared to 23% nationally) and retirement (18% vs 13% nationally). Of those economically inactive, 15.5% want a job.

Barrow's claimant count stood at 3.3% in March 2023, slightly below the UK average of 3.7% but above all other Cumbria districts. Overall, 14.1% of working age residents in the borough claimed Universal Credit in March 2023, relative to 14.6% in England.

Young people in Barrow are particularly exposed, with 6.8% of 18-24 year old claimants searching for work, relative to 4.8% in the UK. 18.2% of 18-24 year olds in the borough are claiming Universal Credit, compared to 13.5% in England. In March





2023, Barrow had 91 16-17 year olds classed as NEET. This translates to a rate of 4.3% relative to 4.8% in England.

South Lakeland

The South Lakeland area has a highly economically active working age population, at 83.1% which is above the England average of 78.3%. However, changes in demography show that the working age population in the area are declining and will continue to do so throughout to early 2040s.

Economic inactivity is low at 16.9% of working age residents compared to 21.3% in England, however there has been a significant increase in the number of inactive residents of some 3,600 since 2017 and a 5.7 percentage point increase relative to a static national position. The main reason for economic inactivity is retirement (43.9% versus 13.7% nationally) and long-term sickness (29.1% versus 23.7% nationally). While many long term sick individuals are not able to work, for others there may be mechanisms by which they can be brought back to the labour market through appropriate support.

In addition to this, social mobility is particularly poor for those in adulthood, with South Lakeland ranked at 251 out of 324 local authorities, limiting the life chances and progression opportunities for these residents.

South Lakeland's claimant count is low, at 1.5% in March 2023 compared to the UK average of 3.7%. Overall, 8.2% of working age residents in the district claimed Universal Credit in March 2023, relative to 14.6% in England.

South Lakeland had 34 16-17 year olds classed as NEET in March 2023. This translates to a rate of 2.3% relative to 4.8% in England.

Eden

Eden has a relatively low proportion of 16-64 year olds who are economically inactive, at 18.1% relative to 21.7% in England. However, this has risen significantly over time with an increase of 2,500 since March 2020, equivalent to 8.1% of the working age population. A major barrier to work for many residents in Eden is long





term sickness. 35.8% of Eden's economically inactive residents cite the reason for their economic inactivity as being due to long term sickness, a significantly greater proportion than the national level of 23%. While many long term sick individuals are not able to work, for others there may be mechanisms by which they can be brought back to the labour market through appropriate support.

Eden's claimant count is low, at 1.7% in March 2023 compared to the UK average of 3.8%. Overall, 8.5% of working age residents in the district claimed Universal Credit in March 2023, relative to 14.6% in England.

In March 2023, Eden had 18 16-17 year olds classed as NEET. This translates to a rate of 1.9% relative to 4.8% in England.

Labour shortages and skills mismatches

The rurality and/or level of deprivation of much of Westmorland and Furness can limit access to employment, training and skills opportunities for residents. In addition to this, digital cold spots mean these cannot be accessed online for all. Higher resident earnings compared to workplace earnings in the former South Lakeland and Eden areas implies that many jobs in Westmorland and Furness are of lower value and brain drain is occurring away from the area.

Cumbria has a higher skills gap than England as a whole. In 2016 there were an estimated 56,000 jobs that could not be filled from within Cumbria, representing a significant skills and employment shortage. 15% of business establishments reported having a skills gap or skills shortage vacancy in 2019. The Cumbria Local Skills Report 2022 estimated a labour supply gap across the county of some 5,000 workers in the face of a shrinking labour force due to demographic trends. The skills gap in Westmorland and Furness could worsen due to an ageing population and unaffordable housing that deters young people. There is a need to provide basic skills, apprenticeships and volunteering opportunities for younger people.

Skills gaps are a challenge in parts of Westmorland and Furness, as they are nationally, that prevent people accessing high paid roles. With an ageing population





the unitary authority will likely see its skills gap worsen in the next two decades, as the potential labour pool in the area contracts as many current skilled workers retire.

This is particularly acute in the Barrow area where 11.6% of the working age population have no qualifications (compared to 6.8% in the UK) and only 21.8% are qualified to NVQ4 level or higher (43.5% in the UK). The former Eden district also struggles, with 14.1% of the working age population having no or only level 1 qualifications (compared to 12.6% in the UK) and only 33.8% qualified to NVQ4 level or higher.

Westmorland and Furness faces challenges in terms of attracting and retaining skills, with employers indicating demand for graduates, but finding it difficult to retain and attract higher skilled workers from the local population. Consultation has revealed acute skill needs and gaps in key sectors such as advanced manufacturing, health and social care, hospitality and tourism, education and logistics.

The declining population creates an imperative to grow the working age population by creating an attractive and vibrant place to live, work and visit, and to equip people with the skills and confidence to achieve their potential and take full advantage of opportunities.

Specific tailored support is needed to support the already employed population to ensure the skills gap closes and does not worsen as a large cohort of the local population moves into retirement.

Drivers and disruptors of change

Automation is a growing challenge in Westmorland and Furness, both for those in work and those seeking work. As automation occurs, we expect levels of productivity to rise, though this risks increasing levels of unemployment. In 2017, the ONS reported that at least 45% of jobs in the former local authority areas that now make up Westmorland and Furness are at risk of automation. To ensure that the local workforce can capitalise on the benefits of automation without the risks of increased unemployment, the workforce will need to be given appropriate skills for the future tailored to specific needs of each sector.





Business sectors in Westmorland and Furness are vulnerable to economic shocks which in turn create high vulnerability to unemployment as economic disruptors such as Covid and Brexit impact on important sectors such as retail, hospitality and agriculture. This was evident during the pandemic when these retail and hospitality sectors went through a period of lockdown and employees were put on furlough or made unemployed as a result.

Poor social mobility for young people

The former Barrow Borough registered a high level of deprivation on the income deprivation affecting children domain, with 22% of all LSOAs within the 10% most deprived in England. Pupils from Barrow are less likely to progress to higher education, at only 13% of pupils compared to 35% in England. Social mobility levels for the youth population is poor, ranking 272 out of 324 local authorities.

Opportunities to develop careers and skills support

Developing and retaining higher level skills in the economy

Westmorland and Furness has high performing schools and colleges and close proximity to Lancaster University and the University of Cumbria which work closely with local employers to run specialist vocational programmes and provide a skilled, future-oriented workforce. These should continue to be supported with better linkages to businesses in the area aimed at attracting and retaining the younger and working age demographic in the area.

Alongside this, there is a need to promote the range of career opportunities on offer and encourage young people to build rewarding careers in the local area. This includes the creation and promotion of graduate opportunities in local businesses, including graduate placements, secondments and graduate roles. The provision of careers information, advice and guidance which helps young people to understand the range of rewarding careers available across sectors, the diverse nature of opportunities and the routes through which they can access these.





The new Barrow Learning Quarter will deliver a new University of Cumbria campus in the town, alongside enhanced Further Education provision, facilitated by Town Deal investment. This investment will help to increase the pool of higher level skills available in the area.

Making the best use of available talent

The Cumbria Skills Report 2022 identified a strategic focus on nurturing, attracting and retaining talent in order to mitigate the decline in the future workforce. This focuses on older residents and workers; workless residents, young people who leave the area, as well as attracting working age people to the area, including those who left in the past.

There is a need to promote the range of career opportunities on offer and encourage young people to build rewarding careers in the district. This includes the creation and promotion of graduate opportunities in local businesses, including graduate placements, secondments and graduate roles. The provision of careers information, advice and guidance which helps young people to understand the range of rewarding careers available across sectors, the diverse nature of opportunities and the routes through which they can access these.

The concentration of worklessness and inactivity in the former Barrow Borough is a concerning issue but also presents an opportunity to tackle labour shortages. This requires targeted intervention which recognises the different needs of a diverse cohort, with some people a long way from the labour market requiring considerable support, whilst others are closer to the labour market and need different support. Key features of the inactive population in Barrow include poor health and low skills. Developing appropriate solutions requires innovation and collaboration across the skill system and with employers and community partners.

Older people are an increasingly important part of the potential workforce, given the forecast decline in working age population. We need to facilitate fuller working lives through working with employers to consider recruiting, training and developing older people, encourage flexible working opportunities across all sectors, provide suitable





support and training for those looking to reskill, and tap into the experience and skills of those not wishing to work full-time or in paid employment, i.e. through volunteering, mentoring etc.

Activating the retired population

Westmorland and Furness has a large retired population with this group accounting for one third of the district's economically inactive population. The former South Lakeland and Eden areas are also fortunate to have high life expectancies for men and women. Mixed with lower levels of deprivation, it is plausible to assume that a significant proportion of the retired population in these areas are relatively healthy. The Cumbria Local Skills Report highlights the opportunity associated with recruiting and training older people, tapping into their experience, to boost the labour supply. We need to facilitate fuller working lives through working with employers to consider recruiting, training and developing older people, encourage flexible working opportunities across all sectors, provide suitable support and training for those looking to reskill, and tap into the experience and skills of those not wishing to work full-time or in paid employment, i.e. through volunteering, mentoring etc.

Creating the workforce and skills to meet the needs of our economy

Reskilling the workforce of Westmorland and Furness with specific skills for the future is an opportunity to enhance the number of high paid and high skilled roles available to local residents. With at least 45% of existing jobs at risk of automation, Westmorland and Furness can ensure that future roles, working with A.I, digital and other Industry 4.0 technology are highly skilled and highly paid. To do this, Westmorland and Furness must be proactive and flexible in its skills offer to those currently in employment and ensure that skills taught to them are adaptive to technological change so that future employment skills gaps can be satisfied by a highly talented local workforce. Facilitating technology adoption to enable residents and employers to access improved digital skills and green technology would help to create opportunities for higher skilled, better paid jobs.





Kendal has the strongest pool of highly qualified and skilled workers in Cumbria. It has been identified as a potential location for smaller tech-based and creative businesses to grow. This provides an opportunity to continue to grow employment in this area and replicate in other parts of Westmorland and Furness to become a tech-based and creative hotspot.

Skills and employability provision needs to reflect current and labour market needs. There is good overall alignment of learning provision in Barrow with the needs of the economy and the engagement of employers with schools. Specific skills expertise in Barrow includes advanced manufacturing and engineering skills, and this is reflected in the strength of the apprenticeship system, with strong engagement by employers and take up by young people, particularly in the manufacturing and engineering sectors.

Westmorland and Furness can capitalise on proximity to high performing schools, colleges and universities to work closely with local employers to meet future skill needs and increase the pool of higher level skills in the district.

Looking ahead, there needs to be continued engagement with employers and sectors to understand emerging and current skill needs, and support a high quality, responsive skills system in return to meet identified demand.

