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INTRODUCTION

Welcome to the September 2006 edition of the *Cumbria Economic Bulletin*.

For the benefit of new users, the Bulletin is jointly produced by the Centre for Regional Economic Development (CRED), at the University of Central Lancashire in Carlisle, and the Cumbria Economic Intelligence Partnership (CEIP). CEIP is a countywide group established to improve the understanding of the local economy and labour market through research, analysis and data dissemination. Partners in the group include Cumbria County Council, district councils, Invest in Cumbria, Cumbria Learning & Skills Council, Cumbria Tourist Board and Further Education Colleges. The Bulletin is intended to contain data relevant to the county for the benefit of a broad readership, but especially for policy makers, industrialists and academics.

Full versions of the Bulletin, including back copies, are available for download as Portable Document Format files from the CRED website. The web address is *www.uclan.ac.uk/cred*. Alternatively, users may prefer to receive a full PDF version of each edition automatically by e-mail. This service can be provided on request to *ginnym@investin cumbria.co.uk*. We would also like to take the opportunity to point out to Bulletin users that a monthly unemployment and claimant count/rate briefing can be supplied via an *e-mail only* distribution list. Names can be added to this list on request by e-mail to *ginnym@investin cumbria.co.uk*.

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

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SECTION 1
MACRO ECONOMIC OVERVIEW

The international economy

The Bank of England Inflation Report issued in August 2006 linked recent output growth in the UK to a revival of household spending on the domestic front alongside continued expansion in the global economy. In the US, GDP growth for the second quarter of 2006 was estimated at 0.6 percent following a very strong first quarter (+1.4%). In the euro area, the Monetary Policy Committee minutes for 2/3 August also noted output growth in the first and second quarters of the year. Expansion in the Chinese economy, however, continues at a much higher level. According to official estimates, output expanded in that country by over eleven percent in the year to the second quarter of 2006. This remains the most dynamic element within the changing global economy.

The negative consequences of continued rapid growth within China have recently been a subject of debate. These include problems of potential over-capacity, possible difficulties in generating markets for products, housing problems in cities and land speculation – the price of flats in Shanghai has tripled in the past 2 years (Guardian June 16th 2006). It was reported that the Chinese State Council met to discuss measures to regulate growth and to improve economic structures and urban quality. There are also increasing fears of "blind expansion of private and public investment". government sponsorship. There have been recent reports of the increased penetration of global markets by Chinese car producers. It has been reported, for instance, that "Great Wall Motors" has now become the latest carmaker to enter EU markets with a shipment of 500 sports-utility vehicles to Italy (Financial Times, September 6th 2006). Media commentators note that "The Hover SUV may be no Ferrari" but at half the price, the model may do well.

Most Chinese car producers have begun their export strategies in emerging markets in countries like Russia, Malaysia and Syria, but there is reported to be growing confidence in the industry and a recognition that the economies of scale required to compete globally in the longer term can only be realized by entering the major trading blocks in North America and Europe. This process is also supported significantly by State investment in preferential loans and export-tax rebates for "favoured companies" (Financial Times, August 18th 2006). Companies such as Chery, Shanghai Automotive and Geely have all announced ambitious plans to export cars to the US and Europe during 2007. These reports illustrate the kinds of impacts that are currently being felt within EU economies across many manufacturing industries.

UK economic trends

National economic indicators for the second quarter of 2006 reveal some significant differences with the previous year (compare data in this issue with that in the Economic Bulletin for September 2005). The service sector has experienced continued growth (+2.5%) but at a lower rate than in the previous year (+3.6%). This sluggish growth has continued through August 2006 as reported in a survey conducted by the Chartered Institute of Purchasing Supply and the Royal Bank of Scotland (reported in the Financial Times - FT.com, September 5th 2006). Their findings indicate that business services, hotels and restaurant sectors performed well but growth has eased in the finance sector and in personal services. In contrast, trends in manufacturing output have led some analysts to comment on "signs of recovery" in spite of continued intense cost pressures driven by international competition. While output fell by 0.6 percent in the 12 months to July 2005, latest figures show annual growth through to July 2006 of 0.7 percent, led in particular by improved performances in chemicals, machinery and equipment production (Financial Times; FT.Com September 6th 2006). While commentators have generally welcomed this "modest recovery" the sector is still very dependent upon export performance and highly sensitive to changes in the value of sterling and upward movements in interest rates.

Housing market

The Halifax House Price Index for June 2006 shows that average house prices have risen nationally by 8.3 percent in the past 12 months. A further rise was reported in July, leading the Bank of England Monetary Policy Committee to believe that further rises might be expected in the next few months (Minutes of meeting, 2/3rd August 2006). This, however, is an average figure, and there are still local areas where much higher rates of increase in house price rises are occurring. Also, there is still a legacy left by the steep rise in prices that occurred prior to 2004 which means that house price to earnings ratios remain at historically high levels. The impacts of this in Cumbria are reported in detail in this issue of the economic bulletin (see Section 7).

Retail sales and consumer spending

Following the slump in retail spending in the first quarter of 2006 (as reported in the March Bulletin), figures for the period up to June showed a recovery with expansion of 2.1 percent. This has happened in spite of fears about the impacts of rising energy costs and the squeeze on incomes. The Monetary Policy Committee described pay growth as "subdued" with a mean 12 month settlement up to June 2006 of 3.1 percent. The Bank also noted that there was no evidence of higher energy costs being passed through into higher wages.

Employment and unemployment

According to UK National Statistics, the employment rate nationally has remained unchanged at a fairly high level. In the three months ending June 2006, the proportion of working age population in work averaged nearly 75 percent. The absolute number of people in work (28.9m) was the highest recorded figure since records began in 1971 and represented an annual increase to June 2006 of 240,000 workers. These figures have increased partly as result of in-migrants including those from the new Accession States in Eastern Europe. (The national and local impacts of these labour flows are analysed in Section 8). The official count of unemployment has continued to rise, though there are sharp variations in these trends between regions and different localities across the UK. The numbers of claimants increased in the year to July 2005 by 31,400 but the following 12 months to July 2006 added a further 90,900 to the Register.

The simultaneous rise in both numbers in employment and unemployment appears puzzling but there are particular labour market circumstances that have produced this effect. The simple (and obvious) answer is that the size of the workforce is growing overall; there are increases in both those in work and those seeking work who are not currently employed. It is more interesting to ask, however, why the workforce has grown so significantly at this time. It is, in fact, caused by a unique combination of circumstances. These include the effects of continued increases in female participation, the impacts of measures to induce the long-term sick into jobs and an increased propensity of people to continue working after normal retirement age. The trend however, also reflects significant growth in levels of international labour migration[1]. The net effect means that the economy continues to grow and generate additional jobs, but this growth has not been keeping pace with the rise in numbers seeking work.

[1] David Smith, *Poles apart – Britain's employment puzzle* Sunday Times, 30th July 2006.

SECTION 2
SELECTED NATIONAL ECONOMIC INDICATORS

Table 2.1: Economic Indicators

Economic Indicator	Level	Change on previous month	Change on previous quarter	Change on year earlier
Gross Domestic Product (Q2 2006)	n/a		+0.8%	+2.6%
Manufacturing output (Q2 2006)	n/a		+0.5%	+0.7%
Service sector output (Q4 2005)	n/a		+1.0%	+3.6%
Headline annual inflation (RPI) (July 2006)	3.3%	unchanged		
Underlying annual inflation (RPIX[2]) (July 2006)	3.1%	unchanged		
Base (Repo) interest rate	4.75%		+0.25%	
UK claimant count / rate (July 2006)	0.96 million/ 3%			+90,900
UK ILO unemployment (3 months to June)	1.67 million/ 5.5%			+243,000
Whole economy productivity (Q1 2006)	n/a		+0.3%	+1.5%
Manufacturing productivity (Q1 2006)	n/a		+1.9%	+3.1%
Halifax house prices (June 2006)	n/a	+0.2%		+8.3%
Exchange Rate Index[3] (2005=100) (30/8/06)	103.4	Was 94.7 at the 1997 election; all time low was 80.2 in Nov 1995; peaked at 106.4 on 3 May 2000.		

Source: HM Treasury Latest Economic Indicators, 31/8/06

[2] RPIX = Retail Price Index excluding mortgage interest payments
[3] Period averages of Bank of England trade-weighted indices / daily close of business figures

SECTION 3
CORPORATE CHANGE IN CUMBRIA

There has been an increase in reported job changes over the last six months in Cumbria. The number of reported job gains (1,810) is more than double the number of reported job losses (829) although it must be noted that the 280 job gains in the Public Administration sector consist of 3 month contracts given to employees at the British Cattle Movement Service, representing a temporary increase in demand for labour due to the need for the Service to process the Single Farm Payment scheme for the first time since its inception. Over the last twelve months, the County appears to have fared well with a total of 2,854 reported job gains compared to 1,460 job losses.

As Table 3.1 shows, the reported net job gains over the last six months have been predominantly in the Retail; Real Estate, renting and business activities; Public Administration; and Health and Social Work sectors. In the Retail sector, there have been significant job gains emanating from the current or forthcoming revitalisation of our major town centres. These consist of:

- 250 jobs in a new £77M Sainsbury's store to be built in Penrith's New Squares scheme. The store won the approval of the developers, Lowther Manelli Properties, and of Eden District Council's Planning Committee over other bids from Tesco, Asda and Waitrose.
- 190 jobs in a new £6M Debenhams store which opened in Workington's Washington Square in August.
- 100 jobs at the outdoor clothing store, Hawkshead, which is relocating its HQ and call centre to Kendal. Its "new high-tech nerve centre" will be based at the New Bridge Mills development. It will employ 70 new staff and probably another 30 by the end of the year.
- 40 staff at the 4 M&S stores in Cumbria. Nationwide, M&S has seen increased customer visits per week and so is increasing its staffing level by up to 10 at each of its stores in the County.
- 20 jobs have been created at the bakery chain, Greggs, which has opened a new shop in the Kingstown industrial estate, Carlisle and will open another in the Washington Square development in Workington in October.

In addition, two car dealerships, Toyota and Dobies, have opened new showrooms in Carlisle and Penrith creating 30 and 20 jobs, respectively.

In the Real Estate, Renting and Business Activities sector, most of the job gains have come from the establishment of a new call centre at Cleator Moor by the firm Ardington Fulfilment Ltd.. The job losses in that sector emanate from the winding up of the family-run plant hire business, Ken Hope Ltd. Job gains in the Health sector emanate mainly from an additional 39 nurses taken on at Carlisle and Whitehaven hospitals.

The manufacturing sector has seen much corporate change in the last 6 months with 705 reported job gains and 533 reported job losses. The gains are almost all accounted for by one firm, namely, British Nuclear Group at Sellafield. It is reported that the company's site programme for 2006-07 identified a need to take on 700 workers engaged in decommissioning work. BNG announced that the firm would give some priority to the 161 workers who lost their jobs in the closure of Alcan Pechiney in Workington in July. Other job losses in the sector unfortunately also emanate from the major firms in West Cumbria:

- 256 jobs are lost as the Corus steel works is closed in Workington.
- The remaining 25 workers at the textile factory, Sekers, in Whitehaven were dismissed. The firm had ceased manufacturing in March 2005.

- The remaining 9 workers at the chemical plant, Huntsman, in Whitehaven are dismissed marking its closure.

Manufacturing job losses are not confined to the urban locations in Cumbria however, with:

- 31 jobs going at the ready-mix concrete manufacturer, Cemex in its plants at Shap and Edenhall.
- 31 jobs lost at Billerud Beetham's paper mill at Beetham and
- 20 jobs lost at Carrs' animal feed mill in Langwathby.

The increased cost of energy over the past year has been blamed for declining profits and sometimes even the closure of several firms, namely:

- The closure of the Corus steel works
- The laying off of workers at the Billerud Beetham Paper Mill
- The closure of 14 shops in the Greggs bakery chain and loss of 200 jobs.

There are many jobs reported in the pipeline subject to Planning Approval. These include:

- 240 jobs if a modern household-waste recycling centre is built on land sold by Allerdale Council in Workington.
- 200 new jobs if Tesco were to get planning permission to build a new Tesco Extra Store in Workington's redeveloped town centre.
- 30 jobs will be created if plans for a metal recycling facility at Lillyhall near Workington get the go-ahead. "International nuclear services company, Studsvik UK wants to open a plant which would decontaminate and then recycle steel and scrap metal from Sellafield and other UK nuclear sites." (News and Star 7.9.06).
- 10 new jobs over 3 years if the family-run agricultural machinery firm, Henry Armer & Son, get planning permission to build an agricultural sales and service centre on the site of a former Texaco garage, in Barrow.

The latest Cumbrian town to initiate revitalisation of its town centre is Penrith. The £77M shopping complex being led by developers, Lowther Manelli Properties, will include a Sainsbury's store, 34 shops, restaurants and bars, 20,000 ft^2 of office space and 203 flats and houses. Several hundred jobs are also expected to be created in the £14M development of Kingmoor Park, Carlisle where plans for a restaurant, a pub, mini shopping arcade, bus interchange and 150,000 ft^2 of purpose-built office space were given the go-ahead in June. The NWDA is investing £14.5M in Maryport and Workington as part of an 8 year programme which it says will create 470 jobs, safeguard a further 681 jobs and help a further 600 to gain employment. Among other things, the investment will be used to improve public spaces in these towns and to develop a strategy for Workington's Derwent Howe Industrial estate including the former Corus site. Cumbria Rural Enterprise Agency's Rural Planning Facilitation Service has been given £451,000 by the North West Development Agency (NWDA) to help rural businesses and farms with planning permission, development and diversification. It is reported that the extra resource could mean help for another 95 businesses over the next 3 years and create more than 200 jobs. The Longtown Market Town Initiative, part of a £1M support package awarded to Longtown and District Enterprise Trust by the NWDA in July 2005, has reported the creation of 15 new jobs and 4 new businesses. The business expansion grant programme is still open for applications for grants of up to £5,000. It was also reported (The Cumberland News 5.6.06) that the Rural Women's Network (RWN) has helped entrepreneurial women in Cumbria to set up over 150 new businesses in the County. "With an average 1.5 jobs provided by businesses started by the RWN, 75 jobs are being added to the Cumbrian economy each year."

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

	Jobs	
	To be / gained	To be / lost
Manufacturing	705	533
Construction	-	-
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	680	202
Hotels and Restaurants	10	-
Transport, Storage and Communication	12	-
Financial Intermediation	-	9
Real Estate, Renting and Business Activities	52	34
Public Administration and Defence; Compulsory Social Security	280	-
Education	8	16
Health and Social Work	39	17
Other Community, Social and Personal Service Activities	24	18
Totals	**1810**	**829**

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

Table 3.2: Jobs Gained and Lost – Breakdown

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs: To be / Gained	Jobs: To be / lost	Reason Quoted
03-Mar-06	Border Toyota and Lexus	Carlisle	Retail	30		Three separate showrooms and a 20 bay workshop and garage are being built on a 4-acre site on Parkhouse Rd., Carlisle.
06-Mar-06	Capita	Cumbria	Other Community Services	20		Extension of their contract with Cumbria County Council to provide some of the Authority's services. The firm is increasingly doing work across the country and looking to recruit 40 people throughout the course of the year.
07-Mar-06	Allan Estate Agents	Carlisle	Real Estate	2		New business opened

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
10-Mar-06	Dobies	Carlisle and Penrith	Retail	20		Building a Chevrolet showroom in Carlisle and a Vauxhaul showroom in Penrith.
17-Mar-06	Ardington Fulfilment Ltd.	Cleator Moor	Real Estate, Renting and Business Activities	50		A new call centre and warehouse to provide call centre and warehouse services for other companies, particularly mail order companies and those wanting a call centre based in the UK.
20-Mar-06	Greggs	Carlisle and Workington	Retail	20		Opened a new shop on Carlisle's Kingstown Industrial Estate in April and will open another in the Washington Square development in Workington town centre in October.
25-Mar-06	Ken Hope Ltd.	Carlisle	Real estate, Renting and Business activities.		34	Owners retired from the family-run business and were unable to find a buyer for the plant hire and haulage division.
28-Mar-06	Sekers	Whitehaven	Manufacturing		25	The textile factory had ceased manufacturing in March 2005 due to increased competition across the textiles industry because of competition from imports. These 25 staff were in its administration and warehousing departments.
07-Apr-06	Somerfield	Carlisle	Retail	17		Makeover of the Kwik Save store in Wigton Rd., Carlisle
14-Apr-06	Hawkshead	Kendal	Retail	100		Relocation of its HQ and call centre from London into a new high-tech nerve centre at the new Bridge Mills development.
21-Apr-06	ANC Group	Kendal	Transport, Storage and Communication	10		Investment of £400,000 in a new delivery and collection base.
24-Apr-06	Debenhams	Workington	Retail	190		New store
27-Apr-06	North Cumbria Acute Hospitals Trust	Carlisle and Whitehaven Hospitals	Health and Social Work	39		Nurses taken on
28-Apr-06	Cemex	Shap and Edenhall	Manufacturing		31	Part of the "strategy to strengthen the future of Cemex and improve our performance in the UK."

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
19-May-06	Callaby Leisure	Port Carlisle	Hotels and Restaurants	10		£5 million investment in the 50 acre holiday park. Up to 20 new jobs may eventually be created.
01-Jun-06	Corus	Workington	Manufacturing		256	Closure of factory due to falling profits because of rising energy costs. Production of rail tracks will now move to a centralised plant being built at Scunthorpe.
02-Jun-06	World Group	Carlisle	Manufacturing	5		Increased demand due to new contract to supply windows
03-Jun-06	British Cattle Movement Service	Workington	Public Administration	280		Jobs with 3 month contracts created in order to help process applications for the Single Farm Payment scheme.
16-Jun-06	Carrs	Langwathby	Manufacturing		20	Falling demand for its compound animal feed.
29-Jun-06	Eat at Doughnuts	Whitehaven	Retail	5		New food outlet
05-Jul-06	West Cumberland Hospital	Whitehaven	Health and Social Work		7	Nurses made redundant because "they were no longer qualified for their positions" following an on-going shake-up in the provision of mental health services.
12-Jul-06	M&S	Carlisle, Kendal, Workington and Barrow	Retail	40		Up to 10 jobs at each of their stores in the County as part of plans to recruit 4,000 new customer assistants nationwide due to 350,000 more customer visits per week.
13-Jul-06	AXA	Carlisle	Financial Intermediation		9	Closure of branch as the insurance Group improves its overall efficiency and service.
13-Jul-06	Longtown Day Nursery	Longtown	Health and Social Work		10	Their grant from Cumbria County Council was withdrawn following an "inadequate Ofsted report".
14-Jul-06	Cumbria Fire Rescue Service	Kendal	Other Community services	4	18	As part of a new salary scheme, 18 posts are cut leaving the team dependant on retained firefighters at night. There will be 4 new community safety officers.

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
14-Jul-06	Billerud Beetham paper mill	Beetham	Manufacturing		31	"Company looking to save costs after a dramatic increase in energy prices brought profits to an unrealistic margin".
18-Jul-06	Alcan Pechiney	Workington	Manufacturing		161	The business had been struggling financially for years and produces goods for the aerospace and engineering markets. Production will move to Alcan's facilities in France.
03-Aug-06	British Nuclear Group	Sellafield	Manufacturing	700		BNG is currently recruiting 300 workers to meet decommissioning targets and an additional 400 may be required later this year as they accelerate work in decommissioning.
04-Aug-06	Carlisle Airport	Carlisle	Transport, Storage and Communication	2		Trainee air traffic controllers.
07-Aug-06	Greggs	Cumbria	Retail		200	Closure of 14 poorly performing shops and changes in supply arrangements, following a "20% fall in profits and rocketing energy costs".
07-Aug-06	Hills Garage, Carleton	Carlisle	Retail	8		Refurbishment programme has quadrupled the size of the on-site shop.
11-Aug-06	Milk delivery business	Wigton	Retail		2	Business wound up due to people shopping instead at supermarkets for milk.
12-Aug-06	Carlisle College	Carlisle	Education	8	16	Jobs in administration and management went in July in cuts of support services "because of the pressures of new Government priorities." 7 Lecturer and assessor positions advertised and an Assistant Principal of Finance.
25-Aug-06	Huntsman	Whitehaven	Manufacturing		9	A lack of space and the call to centralise operations in Scunthorpe have been blamed for the chemical plant's closure.
26-Aug-06	Sainsbury's	Penrith	Retail	250		The store has been given the go-ahead to be built in the revamp of Penrith town centre.

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

SECTION 4:
UNEMPLOYMENT AND CLAIMANT DATA

Claimant trends in Cumbria

The number of people claiming unemployment benefit has risen in Cumbria from a year ago. The figures reveal an annual rise of 2.7% for the county between July 2005 and July 2006 with 153 more claimants (up to 5,721 people); see Table 4.1. This has been a smaller percentage increase than the UK as a whole which experienced a rise of 10.3% and the North West which showed a rise of 14.5%. The pattern varies across districts with Eden showing a particularly high percentage increase (17.3% although this only represents 33 people) and Carlisle also showing an increase well in excess of the county average. However, Barrow and Copeland experienced small percentage falls.

The picture is quite different when viewed over a 6-month period. Between Jan 2006 and July 2006 total unemployment in Cumbria fell overall by 8.6% (535 claimants) which is in contrast to a small rise nationally of 0.6% and a rise of 2.4% regionally. All six districts showed a fall in the number of claimants over the past 6 months with the percentage and numerical falls being particularly marked in Allerdale (-14%), Copeland (-10.2%) and Barrow (-9.6%).

The variation between the 6 month and annual trend is partly explained by the seasonal nature of employment in Cumbria and therefore, the figures for annual change are perhaps a more reliable indicator of unemployment trends in the county.

Table 4.1: Claimant counts – Cumbria and local authority districts

	July 2005	Jan 2006	July 2006	6-Month Change Jan 06–July 06		Annual Change July 05–July 06	
				No	%	No	%
Allerdale	1,189	1,396	1,200	-196	-14.0	11	0.9
Barrow	1,221	1,348	1,219	-129	-9.6	-2	-0.2
Carlisle	1,312	1,446	1,408	-38	-2.6	96	7.3
Copeland	1,189	1,318	1,184	-134	-10.2	-5	-0.4
Eden	191	225	224	-1	-0.4	33	17.3
South Lakeland	466	523	486	-37	-7.1	20	4.3
Cumbria	5,568	6,256	5,721	-535	-8.6	153	2.7
North West	102,844	115,044	117,795	2,751	2.4	14,951	14.5
UK	870,982	955,335	960,840	5,505	0.6	89,858	10.3

Source: Office for National Statistics via NOMIS

The trends in numbers of claimants are reflected in the rates of unemployment for the districts (% of working age population) which are shown in Table 4.2.

Across the county as a whole, the official unemployment rate was 1.9% in July 2006 and was also 1.9% in Jan 2006. This remains below the UK rate which rose by 0.3 over the year to 2.6%. There are minor differences between the districts with rates static over 12 months in Allerdale, Barrow, Copeland and South Lakeland but rising 0.1 in Carlisle and Eden. Unemployment rates are highest in Barrow (2.9%) and Copeland (2.7%).

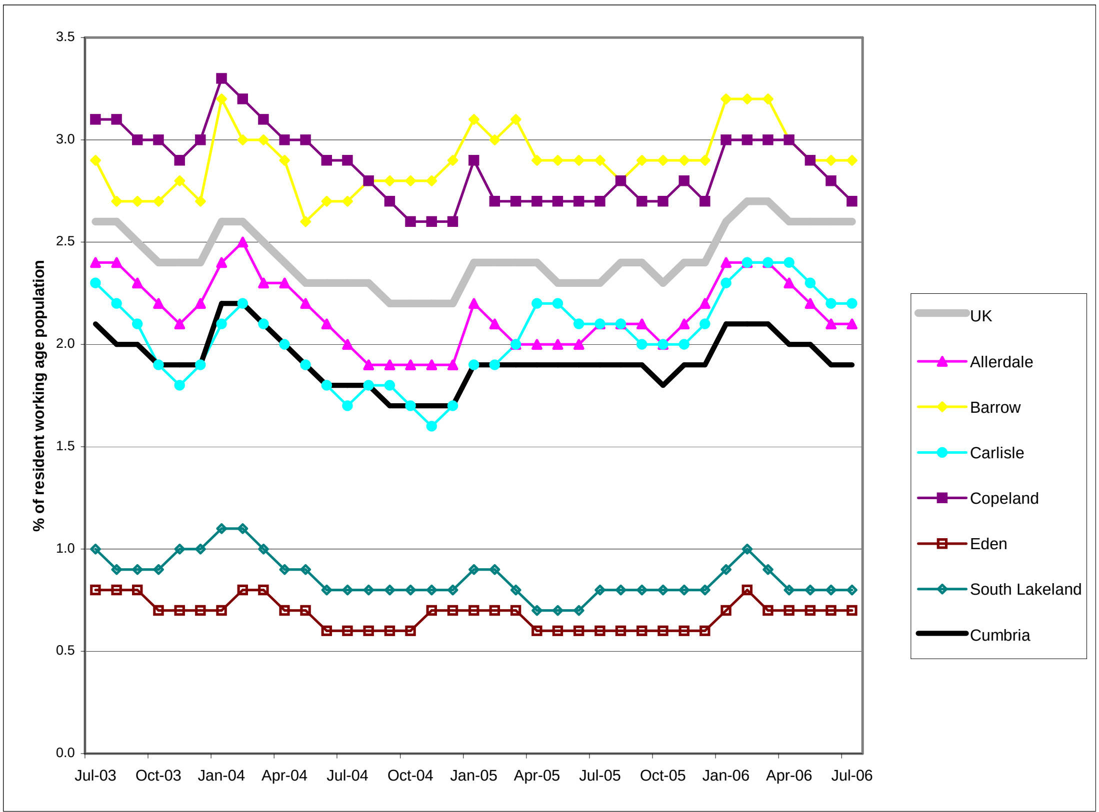
Table 4.2: Claimant count rates (resident based) – Cumbria, districts and UK

	July 2005	Jan 2006	July 2006	6-Month Change Jan 06–July 06	Annual Change July 05–July 06
Allerdale	2.1	2.4	2.1	-0.3	0.0
Barrow	2.9	3.2	2.9	-0.3	0.0
Carlisle	2.1	2.3	2.2	-0.1	0.1
Copeland	2.7	3.0	2.7	-0.3	0.0
Eden	0.6	0.7	0.7	0.0	0.1
South Lakeland	0.8	0.9	0.8	-0.1	0.0
Cumbria	1.9	2.1	1.9	-0.2	0.0
North West	2.4	2.7	2.8	0.1	0.4
UK	2.3	2.6	2.6	0.0	0.3

Source: Office for National Statistics via NOMIS

Figure 4.1 charts the unemployment trend monthly from July 2003 through to July 2006 and this shows that Cumbria has remained broadly in line, but consistently below, the UK as a whole. However, some areas within the county have experienced more volatility and this is particularly true of Carlisle.

Figure 4.1: Cumbria districts' claimant rate trends compared to that of the UK as a whole – July 2003 – July 2006



Source: Office for National Statistics via NOMIS

It is very obvious that the rates in Eden and South Lakeland consistently run well below the UK average. Copeland and Barrow continue to have rates above the UK average although the gap for Copeland has narrowed sharply in recent months.

Analysis of the data by Travel to Work Areas (TTWAs) allows some of the variations within districts to be more clearly seen. Absolute claimant counts are low in Appleby, Kendal, Keswick, Windermere and Penrith, while the major industrial centres have counts ranging from 1,096 to 1,524 (Table 4.3). The July 2006 figures show an annual rise for all Travel to Work Areas except Barrow, Windermere and Workington. Numerically, the rise was biggest in Carlisle – up 110 over the year – which is now the TTWA with the highest claimant count (previously it was Barrow).

Table 4.3: Claimant counts in Cumbria travel-to-work areas (TTWAs)

	July 2005	Jan 2006	July 2006	6-Month Change Jan 06–July 06		Annual Change July 05–July 06	
				No	%	No	%
Appleby	40	44	53	9	20.5	13	32.5
Barrow	1,431	1,579	1,418	-161	-10.2	-13	-0.9
Carlisle	1,414	1,561	1,524	-37	-2.4	110	7.8
Kendal	200	218	235	17	7.8	35	17.5
Keswick	22	40	31	-9	-22.5	9	40.9
Penrith	131	159	152	-7	-4.4	21	16.0
Whitehaven	1,143	1,278	1,144	-134	-10.5	1	0.1
Windermere	47	67	46	-21	-31.3	-1	-2.1
Workington	1,113	1,284	1,096	-188	-14.6	-17	-1.5
Cumbria	5,568	6,256	5,721	-535	-8.6	153	2.7
North West	102,844	115,044	117,795	2,751	2.4	14,951	14.5
UK	870,982	955,335	960,840	5,505	0.6	89,858	10.3

Source: Office for National Statistics via NOMIS

Not surprisingly, claimant count rates for TTWAs follow similar trends to those already observed. Rates in Appleby, Kendal, Keswick, Penrith and Windermere are all less than 1%. Whitehaven is now the only TTWA in Cumbria where the claimant count rate is above the national average.

Table 4.4: Claimant count rates (resident based) – Cumbria Travel to Work Areas

	July 2005	Jan 2006	July 2006	6-Month Change Jan 06–July 06	Annual Change July 05–July 06
Appleby	0.5	0.5	0.6	0.1	0.1
Barrow	2.6	2.8	2.5	-0.3	-0.1
Carlisle	2.0	2.3	2.2	-0.1	0.2
Kendal	0.6	0.6	0.7	0.1	0.1
Keswick	0.4	0.7	0.5	-0.2	0.1
Penrith	0.7	0.8	0.8	0.0	0.1
Whitehaven	2.8	3.1	2.8	-0.3	0.0
Windermere	0.4	0.6	0.4	-0.2	0.0
Workington	2.5	2.9	2.5	-0.4	0.0
Cumbria	1.9	2.1	1.9	-0.2	0.0
North West	2.4	2.7	2.8	0.1	0.4
UK	2.3	2.6	2.6	0.0	0.3

Source: Office for National Statistics via NOMIS

Long Term Unemployment

The number of long-term unemployed (those claiming benefits for over one year) has risen in all districts over the past twelve months (Table 4.5).

Table 4.5: Number of Long Term Unemployed Claimants (12 mths+)

	July 2005	Jan 2006	July 2006	6-Month Change Jan 06–July 06		Annual Change July 05–July 06	
				No	%	No	%
Allerdale	105	190	215	25	13.2	110	104.8
Barrow	110	150	180	30	20.0	70	63.6
Carlisle	110	165	210	45	27.3	100	90.9
Copeland	180	225	250	25	11.1	70	38.9
Eden	10	15	20	5	33.3	10	100.0
South Lakeland	30	40	40	0	0.0	10	33.3
Appleby TTWA	5	0	5	5	100.0	0	0.0
Barrow TTWA	135	175	205	30	17.1	70	51.9
Carlisle TTWA	115	180	230	50	27.8	115	100.0
Kendal TTWA	5	10	10	0	0.0	5	100.0
Keswick TTWA	0	0	0	0	0.0	0	0.0
Penrith TTWA	5	10	15	5	50.0	10	200.0
Whitehaven TTWA	175	215	245	30	14.0	70	40.0
Windermere TTWA	0	0	5	5	100.0	5	100.0
Workington TTWA	105	180	205	25	13.9	100	95.2
Cumbria	550	780	920	140	17.9	370	67.3
North West	12,600	14,330	17,125	2,795	19.5	4,525	35.9
United Kingdom	121,305	133,950	154,120	20,170	15.1	32,815	27.1

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

Table 4.6: Proportion of Claimants Who are Long Term Unemployed (12 mths+)

	July 2005	Jan 2006	July 2006	6-Month Change Jan 06–July 06	Annual Change July 05–July 06
Allerdale	9.1	13.8	18.1	4.3	9.0
Barrow	9.0	11.1	14.7	3.6	5.7
Carlisle	8.5	11.4	14.9	3.5	6.4
Copeland	15.4	17.1	21.3	4.2	5.9
Eden	6.3	6.7	9.8	3.1	3.5
South Lakeland	6.9	7.9	8.3	0.4	1.4
Appleby TTWA	10.0	4.5	9.4	4.9	-0.6
Barrow TTWA	9.4	11.3	14.6	3.3	5.2
Carlisle TTWA	8.3	11.6	15.1	3.5	6.8
Kendal TTWA	3.5	5.0	4.3	-0.7	0.8
Keswick TTWA	0.0	0.0	0.0	0.0	0.0
Penrith TTWA	4.6	6.3	9.2	2.9	4.6
Whitehaven TTWA	15.4	17.1	21.4	4.3	6.0
Windermere TTWA	2.1	1.5	6.5	5.0	4.4
Workington TTWA	9.8	14.3	18.8	4.5	9.0
Cumbria	10.0	12.6	16.1	3.5	6.1
North West	12.3	12.5	14.6	2.1	2.3
United Kingdom	14.0	14.1	16.1	2.0	2.1

Source: Office for National Statistics via NOMIS

The rate of increase in all areas is higher than the national rate of increase, a trend also seen in the previous set of figures. This seems to confirm that, although unemployment remains low in most of the county and has not risen as fast as nationally, some sections of the unemployed are finding it increasingly difficult to access employment. This is particularly the case in Allerdale and Carlisle where the number of LTU has risen by over 100 in the past year.

The proportion of the unemployed who have been out of work for more than 12 months is a good indicator of labour market conditions in an area. Allerdale has now joined Copeland in having a higher proportion of long term unemployed than nationally. The proportion has risen more quickly than nationally in all districts except South Lakeland.

The Office for National Statistics has recently re-introduced data relating to flows on and off the unemployment register. One element of this is the destination of those leaving the register which can be analysed both in terms of the number leaving and also the proportion that leaves for various reasons (Tables 4.7 and 4.8).

In the last six months for which data are available, 8,375 people left the register in Cumbria – the highest number being in Carlisle. Finding work was the reason most people gave, followed by failing to sign.

Table 4.7: Destination of Those Leaving the Register – Total Jan 2006-June 2006.

	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland	Cumbria
	No	No	No	No	No	No	No
Found work or increased work to more than 16 hours a week	840	865	925	730	225	605	4,185
Claimed benefit other than JSA	130	145	170	135	25	60	670
Government supported training	145	115	80	90	5	25	455
Education or approved training	5	20	10	5	5	5	50
Gone abroad	50	60	40	35	10	30	225
Ceased claiming	30	35	55	20	10	45	200
Failed to sign	335	400	540	320	90	225	1,915
Other reasons	115	65	60	35	5	25	300
Not known	100	70	60	95	20	35	380
All destinations	1,750	1,775	1,935	1,465	400	1,045	8,375

Source: Office for National Statistics via NOMIS

Table 4.8: Destination of Those Leaving the Register – Total Jan 2006-June 2006.

	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland	Cumbria	North West	United Kingdom
	%	%	%	%	%	%	%	%	%
Found work or increased work to more than 16 hours a week	48.0	48.7	47.8	49.8	56.3	57.9	50.0	42.1	39.7
Claimed benefit other than JSA	7.4	8.2	8.8	9.2	6.3	5.7	8.0	7.9	7.3
Government supported training	8.3	6.5	4.1	6.1	1.3	2.4	5.4	4.8	5.4
Education or approved training	0.3	1.1	0.5	0.3	1.3	0.5	0.6	0.5	0.6
Gone abroad	2.9	3.4	2.1	2.4	2.5	2.9	2.7	3.3	3.2
Ceased claiming	1.7	2.0	2.8	1.4	2.5	4.3	2.4	1.5	1.7
Failed to sign	19.1	22.5	27.9	21.8	22.5	21.5	22.9	30.2	31.8
Other reasons	6.6	3.7	3.1	2.4	1.3	2.4	3.6	2.9	2.6
Not known	5.7	3.9	3.1	6.5	5.0	3.3	4.5	6.8	7.7

Source: Office for National Statistics via NOMIS

When taken as a proportion, it can be seen that half the claimants in Cumbria who left the register over the past 6 months, did so because they found work (or increased their hours). This is higher than the proportion nationally (40%) and regionally (42%). The proportion leaving because they found work is particularly high in South Lakeland and Eden. A slightly higher proportion of claimants in Cumbria left because they claimed another benefit and fewer failed to sign.

Claimant counts by ward across Cumbria

Table 4.9 shows claimant counts rates at ward level across Cumbria. At this degree of spatial disaggregation there is much more variability in the trends. More than half of individual wards (52%) experienced an increase in claimants between July 2005 and July 2006. Wards showing the biggest rises in claimant numbers were Central in Barrow (+28), Hensingham (+28) and Sandwith (+24) in Copeland, Belle Vue (+19) and Harraby (+16) in Carlisle.

A slightly smaller proportion of wards (39%) in Cumbria experienced a fall in claimant numbers and a handful (8%) show no change. Of those wards showing falling numbers of claimants, the biggest decreases were in Moss Bay in Workington (-22), Egremont North in Copeland (-17), Moorclose in Workington (-15), Belah in Carlisle (-12) and in Dalton South, Walney South (both Barrow) and Newton in Copeland (all –11).

Table 4.9: Cumbrian ward level claimant counts and rates

ALLERDALE	July 2005		Jan 2006		July 2006		6-Month Change Jan 06 – July 06		Annual Change July 05 – July 06	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
All Saints	29	1.0	53	1.9	43	1.5	-10	-0.4	14	0.5
Aspatria	55	2.9	62	3.2	55	2.9	-7	-0.3	0	0.0
Boltons	3	0.3	3	0.3	8	0.8	5	0.5	5	0.5
Broughton St Bridget's	23	0.9	37	1.5	26	1.1	-11	-0.4	3	0.2
Christchurch	25	1.4	26	1.4	20	1.1	-6	-0.3	-5	-0.3
Clifton	26	2.8	32	3.5	19	2.1	-13	-1.4	-7	-0.7
Crummock	8	0.9	10	1.1	10	1.1	0	0.0	2	0.2
Dalton	3	0.3	5	0.5	9	0.9	4	0.4	6	0.6
Derwent Valley	0	0.0	4	0.4	1	0.1	-3	-0.3	1	0.1
Ellen	25	1.3	28	1.4	22	1.1	-6	-0.3	-3	-0.2
Ellenborough	84	3.7	95	4.2	89	3.9	-6	-0.3	5	0.2
Ewanrigg	103	5.0	124	6.1	103	5.0	-21	-1.1	0	0.0
Flimby	29	3.0	40	4.1	29	3.0	-11	-1.1	0	0.0
Harrington	29	1.5	23	1.2	28	1.5	5	0.3	-1	0.0
Holme	10	1.0	17	1.8	16	1.7	-1	-0.1	6	0.7
Keswick	14	0.5	28	0.9	16	0.5	-12	-0.4	2	0.0
Marsh	6	0.6	7	0.7	7	0.7	0	0.0	1	0.1
Moorclose	120	4.1	114	3.9	105	3.6	-9	-0.3	-15	-0.5
Moss Bay	146	5.7	167	6.6	124	4.9	-43	-1.7	-22	-0.8
Netherhall	65	3.4	71	3.7	58	3.1	-13	-0.6	-7	-0.3
St John's	61	1.9	66	2.0	60	1.8	-6	-0.2	-1	-0.1
St Michael's	124	3.9	153	4.8	130	4.1	-23	-0.7	6	0.2
Seaton	60	1.9	58	1.9	53	1.7	-5	-0.2	-7	-0.2
Silloth	22	1.2	43	2.4	34	1.9	-9	-0.5	12	0.7
Solway	15	1.5	8	0.8	15	1.5	7	0.7	0	0.0
Stainburn	9	0.8	19	1.8	12	1.1	-7	-0.7	3	0.3
Wampool	14	1.4	7	0.7	10	1.0	3	0.3	-4	-0.4
Warnell	1	0.1	6	0.5	5	0.4	-1	-0.1	4	0.3
Waver	5	0.4	12	1.0	6	0.5	-6	-0.5	1	0.1

BARROW	July 2005		Jan 2006		July 2006		6-Month Change Jan 06 – July 06		Annual Change July 05 – July 06	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
Barrow Island	118	7.2	148	9.0	118	7.2	-30	-1.8	0	0.0
Central	198	5.9	258	7.7	226	6.8	-32	-0.9	28	0.9
Dalton North	63	1.6	70	1.7	56	1.4	-14	-0.3	-7	-0.2
Dalton South	77	2.0	69	1.8	66	1.8	-3	0.0	-11	-0.2
Hawcoat	30	1.1	34	1.2	23	0.8	-11	-0.4	-7	-0.3
Hindpool	167	5.1	188	5.7	167	5.1	-21	-0.6	0	0.0
Newbarns	69	2.0	76	2.2	62	1.8	-14	-0.4	-7	-0.2
Ormsgill	141	3.8	142	3.8	136	3.7	-6	-0.1	-5	-0.1
Parkside	61	1.7	51	1.5	60	1.7	9	0.2	-1	0.0
Risedale	98	3.0	97	2.9	112	3.4	15	0.5	14	0.4
Roosecote	67	2.0	67	2.0	62	1.8	-5	-0.2	-5	-0.2
Walney North	56	1.8	77	2.4	66	2.1	-11	-0.3	10	0.3
Walney South	76	2.2	71	2.0	65	1.8	-6	-0.2	-11	-0.4

CARLISLE	July 2005		Jan 2006		July 2006		6-Month Change Jan 06 – July 06		Annual Change July 05 – July 06	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
Belah	53	1.5	35	1.0	41	1.1	6	0.1	-12	-0.4
Belle Vue	82	2.4	108	3.2	101	3.0	-7	-0.2	19	0.6
Botcherby	142	4.0	134	3.8	146	4.1	12	0.3	4	0.1
Brampton	39	1.6	51	2.1	51	2.1	0	0.0	12	0.5
Burgh	7	0.6	15	1.2	17	1.4	2	0.2	10	0.8
Castle	143	3.8	170	4.5	152	4.0	-18	-0.5	9	0.2
Currock	112	3.1	137	3.8	118	3.2	-19	-0.6	6	0.1
Dalston	22	0.7	29	1.0	31	1.0	2	0.0	9	0.3
Denton Holme	81	2.1	103	2.7	94	2.5	-9	-0.2	13	0.4
Great Corby & Geltsdale	7	0.5	9	0.7	10	0.8	1	0.1	3	0.3
Harraby	86	2.6	91	2.7	102	3.0	11	0.3	16	0.4
Hayton	17	1.4	11	0.9	9	0.7	-2	-0.2	-8	-0.7
Irthing	14	1.1	15	1.2	15	1.2	0	0.0	1	0.1
Longtown & Rockcliffe	34	1.4	32	1.3	40	1.7	8	0.4	6	0.3
Lyne	12	1.0	14	1.2	13	1.1	-1	-0.1	1	0.1
Morton	92	3.0	105	3.4	92	3.0	-13	-0.4	0	0.0
St Aidans	113	3.0	110	2.9	104	2.8	-6	-0.1	-9	-0.2
Stanwix Rural	13	0.5	20	0.8	20	0.8	0	0.0	7	0.3
Stanwix Urban	34	1.0	34	1.0	38	1.2	4	0.2	4	0.2
Upperby	141	4.6	171	5.5	142	4.6	-29	-0.9	1	0.0
Wetheral	23	1.0	13	0.6	14	0.6	1	0.0	-9	-0.4
Yewdale	44	1.1	40	1.0	56	1.5	16	0.5	12	0.4

COPELAND	July 2005		Jan 2006		July 2006		6-Month Change Jan 06 – July 06		Annual Change July 05 – July 06	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
Arlecdon	8	0.8	10	1.0	13	1.3	3	0.3	5	0.5
Beckermet	39	2.3	43	2.6	30	1.8	-13	-0.8	-9	-0.5
Bootle	5	0.6	5	0.6	10	1.3	5	0.7	5	0.7
Bransty	47	1.6	42	1.4	46	1.5	4	0.1	-1	-0.1
Cleator Moor North	81	3.2	93	3.7	87	3.4	-6	-0.3	6	0.2
Cleator Moor South	70	4.3	61	3.7	61	3.7	0	0.0	-9	-0.6
Distington	87	3.7	75	3.2	80	3.4	5	0.2	-7	-0.3
Egremont North	94	3.7	106	4.2	77	3.0	-29	-1.2	-17	-0.7
Egremont South	68	3.1	70	3.2	58	2.6	-12	-0.6	-10	-0.5
Ennerdale	5	0.8	8	1.2	4	0.6	-4	-0.6	-1	-0.2
Frizington	66	4.2	81	5.2	73	4.7	-8	-0.5	7	0.5
Gosforth	2	0.2	3	0.4	0	0.0	-3	-0.4	-2	-0.2
Harbour	107	4.5	116	4.9	110	4.7	-6	-0.2	3	0.2
Haverigg	16	1.3	14	1.1	11	0.9	-3	-0.2	-5	-0.4
Hensingham	58	2.3	77	3.1	86	3.4	9	0.3	28	1.1
Hillcrest	18	1.0	10	0.6	8	0.4	-2	-0.2	-10	-0.6
Holborn Hill	46	3.1	51	3.4	45	3.0	-6	-0.4	-1	-0.1
Kells	34	2.3	39	2.7	26	1.8	-13	-0.9	-8	-0.5
Millom Without	9	1.0	9	1.0	4	0.5	-5	-0.5	-5	-0.5
Mirehouse	131	5.0	146	5.5	135	5.1	-11	-0.4	4	0.1
Moresby	13	1.7	19	2.5	16	2.1	-3	-0.4	3	0.4
Newtown	65	3.1	68	3.2	54	2.6	-14	-0.6	-11	-0.5
St Bees	13	1.4	17	1.8	14	1.5	-3	-0.3	1	0.1
Sandwith	97	6.1	138	8.6	121	7.6	-17	-1.0	24	1.5
Seascale	10	0.6	17	1.1	15	0.9	-2	-0.2	5	0.3

EDEN	July 2005		Jan 2006		July 2006		6-Month Change Jan 06 – July 06		Annual Change July 05 – July 06	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
Alston Moor	18	1.4	19	1.5	16	1.2	-3	-0.3	-2	-0.2
Appleby (Appleby)	2	0.3	3	0.4	6	0.9	3	0.5	4	0.6
Appleby (Bongate)	6	0.7	4	0.4	7	0.8	3	0.4	1	0.1
Askham	3	0.4	6	0.7	2	0.2	-4	-0.5	-1	-0.2
Brough	6	0.8	2	0.3	2	0.3	0	0.0	-4	-0.5
Crosby Ravensworth	2	0.2	1	0.1	2	0.2	1	0.1	0	0.0
Dacre	2	0.3	3	0.4	2	0.3	-1	-0.1	0	0.0
Eamont	5	0.7	3	0.4	4	0.5	1	0.1	-1	-0.2
Greystoke	2	0.2	3	0.3	3	0.3	0	0.0	1	0.1
Hartside	2	0.3	8	1.1	3	0.4	-5	-0.7	1	0.1
Hesket	4	0.2	6	0.3	9	0.5	3	0.2	5	0.3
Kirkby Stephen	7	0.5	12	0.8	16	1.1	4	0.3	9	0.6
Kirkby Thore	6	0.7	7	0.8	10	1.1	3	0.3	4	0.4
Kirkoswald	10	1.1	4	0.4	4	0.4	0	0.0	-6	-0.7
Langwathby	4	0.5	3	0.4	3	0.4	0	0.0	-1	-0.1
Lazonby	2	0.2	6	0.7	7	0.9	1	0.2	5	0.7
Long Marton	2	0.3	2	0.3	0	0.0	-2	-0.3	-2	-0.3
Morland	0	0.0	0	0.0	1	0.1	1	0.1	1	0.1
Orton with Tebay	8	0.9	7	0.8	3	0.3	-4	-0.5	-5	-0.6
Penrith Carleton	5	0.6	7	0.8	6	0.7	-1	-0.1	1	0.1
Penrith East	16	1.1	22	1.5	23	1.5	1	0.0	7	0.4
Penrith North	24	1.0	32	1.3	28	1.1	-4	-0.2	4	0.1
Penrith Pategill	13	1.9	15	2.2	9	1.3	-6	-0.9	-4	-0.6
Penrith South	11	0.8	11	0.8	18	1.3	7	0.5	7	0.5
Penrith West	22	1.2	21	1.1	15	0.8	-6	-0.3	-7	-0.4
Ravenstonedale	2	0.4	5	0.9	4	0.7	-1	-0.2	2	0.3
Shap	2	0.2	2	0.2	7	0.9	5	0.7	5	0.7
Skelton	3	0.3	2	0.2	7	0.8	5	0.6	4	0.5
Ullswater	0	0.0	2	0.2	3	0.3	1	0.1	3	0.3
Warcop	3	0.4	6	0.8	6	0.8	0	0.0	3	0.4

SOUTH LAKELAND	July 2005		Jan 2006		July 2006		6-Month Change Jan 06 – July 06		Annual Change July 05 – July 06	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
Arnside & Beetham	9	0.4	8	0.4	8	0.4	0	0.0	-1	0.0
Broughton	12	0.8	15	1.1	15	1.1	0	0.0	3	0.3
Burneside	5	0.4	5	0.4	16	1.3	11	0.9	11	0.9
Burton & Holme	6	0.4	7	0.4	3	0.2	-4	-0.2	-3	-0.2
Cartmel	4	0.4	5	0.5	8	0.9	3	0.4	4	0.5
Coniston	2	0.2	7	0.6	5	0.4	-2	-0.2	3	0.2
Crake Valley	17	1.5	13	1.1	7	0.6	-6	-0.5	-10	-0.9
Crooklands	1	0.1	2	0.1	9	0.7	7	0.6	8	0.6
Grange	11	0.6	16	0.9	13	0.7	-3	-0.2	2	0.1
Hawkshead	2	0.2	6	0.6	7	0.7	1	0.1	5	0.5
Holker	10	1.0	6	0.6	10	1.0	4	0.4	0	0.0
Kendal Castle	3	0.3	5	0.5	6	0.5	1	0.0	3	0.2
Kendal Far Cross	8	0.7	17	1.4	17	1.4	0	0.0	9	0.7
Kendal Fell	22	2.0	13	1.2	15	1.4	2	0.2	-7	-0.6
Kendal Glebelands	7	0.6	8	0.7	9	0.8	1	0.1	2	0.2
Kendal Heron Hill	6	0.5	8	0.7	4	0.3	-4	-0.4	-2	-0.2
Kendal Highgate	10	0.9	7	0.6	15	1.4	8	0.8	5	0.5
Kendal Kirkland	13	1.1	19	1.7	15	1.3	-4	-0.4	2	0.2
Kendal Mintsfeet	14	1.0	14	1.0	11	0.8	-3	-0.2	-3	-0.2
Kendal Nether	7	0.7	9	0.9	5	0.5	-4	-0.4	-2	-0.2
Kendal Oxenholme	9	0.7	9	0.7	4	0.3	-5	-0.4	-5	-0.4
Kendal Parks	5	0.3	9	0.6	7	0.5	-2	-0.1	2	0.2
Kendal Stonecross	4	0.4	2	0.2	3	0.3	1	0.1	-1	-0.1
Kendal Strickland	9	0.8	10	0.9	12	1.1	2	0.2	3	0.3
Kendal Underley	15	1.2	11	0.9	11	0.9	0	0.0	-4	-0.3
Kirkby Lonsdale	9	0.6	7	0.5	6	0.4	-1	-0.1	-3	-0.2
Lakes Ambleside	12	0.5	8	0.4	6	0.3	-2	-0.1	-6	-0.2
Lakes Grasmere	3	0.3	1	0.1	1	0.1	0	0.0	-2	-0.2
Levens	3	0.3	1	0.1	1	0.1	0	0.0	-2	-0.2
Low Furness & Swarthmoor	36	1.5	34	1.4	26	1.1	-8	-0.3	-10	-0.4
Lyth Valley	2	0.2	7	0.6	7	0.6	0	0.0	5	0.4
Milnthorpe	5	0.4	10	0.8	14	1.1	4	0.3	9	0.7
Natland	4	0.4	5	0.4	4	0.4	-1	0.0	0	0.0
Sedbergh	4	0.2	7	0.3	8	0.4	1	0.1	4	0.2
Staveley-in-Cartmel	4	0.4	8	0.8	4	0.4	-4	-0.4	0	0.0
Staveley-in-Westmorland	7	0.6	5	0.4	5	0.4	0	0.0	-2	-0.2
Ulverston Central	38	3.4	40	3.5	29	2.6	-11	-0.9	-9	-0.8
Ulverston East	25	1.9	36	2.8	25	1.9	-11	-0.9	0	0.0
Ulverston North	12	1.1	16	1.4	22	2.0	6	0.6	10	0.9
Ulverston South	21	1.9	17	1.6	24	2.2	7	0.6	3	0.3
Ulverston Town	30	2.7	34	3.0	29	2.6	-5	-0.4	-1	-0.1
Ulverston West	15	1.4	16	1.5	15	1.4	-1	-0.1	0	0.0
Whinfell	4	0.3	2	0.2	3	0.2	1	0.0	-1	-0.1
Windermere App'waite	4	0.3	10	0.8	9	0.8	-1	0.0	5	0.5
Windermere Bowness N	2	0.2	8	0.7	4	0.4	-4	-0.3	2	0.2
Windermere Bowness S	6	0.5	12	1.1	7	0.6	-5	-0.5	1	0.1
Windermere Town	9	0.7	8	0.6	2	0.1	-6	-0.5	-7	-0.6

Source: Office for National Statistics via NOMIS

SECTION 5:
NOTIFIED VACANCIES DATA

The statistics given in this section comprise only job vacancies that have been notified to Jobcentre Plus and it should be noted that not all job opportunities are publicised in this way. Furthermore, the data may be influenced by Job Centre Plus activities to target certain sectors or from administrative reorganisations which result in vacancies being notified to different offices. More recently, there have been some concerns raised about the accuracy of this dataset and therefore it should be treated with some caution.

Table 5.1 shows the trend in total notified vacancies for Cumbria's Local Authority Districts and Travel To Work Areas. From this it can be seen that the total number of vacancies notified in July 2006 across the County was significantly higher than the number notified in February 2006.

Table 5.1: Total notified vacancy numbers

	Feb 06	Mar 06	Apr 06	May 06	June 06	July 06	6 Month Change
Allerdale	245	294	469	479	436	370	125
Barrow in Furness	178	265	288	175	181	232	54
Carlisle	516	366	795	327	511	714	198
Copeland	188	243	202	173	255	340	152
Eden	208	233	233	215	284	292	84
South Lakeland	406	372	669	459	452	532	126
Appleby TTWA	8	18	31	16	13	44	36
Barrow-in-Furness TTWA	240	316	389	213	251	305	65
Carlisle TTWA	534	394	841	355	529	753	219
Kendal TTWA	177	210	334	255	258	295	118
Keswick TTWA	60	80	124	66	85	74	14
Penrith TTWA	189	205	198	197	269	238	49
Whitehaven TTWA	187	237	200	170	253	330	143
Windermere TTWA	158	103	227	160	118	148	-10
Workington TTWA	173	198	305	389	337	272	99
Cumbria	1,741	1,773	2,656	1,828	2,119	2,480	739

Source: Office for National Statistics via NOMIS

Table 5.2: Vacancy numbers by Broad Industrial Group (BIG)

Broad Industrial Group	Feb 06	Mar 06	Apr 06	May 06	June 06	July 06
Agriculture & fishing	12	17	28	13	19	14
Energy & water	6	6	11	6	8	2
Manufacturing	81	135	114	81	52	124
Construction	78	62	140	57	112	118
Retail, hotels & restaurants, etc	695	706	1,000	778	599	684
Transport & communications	121	61	69	35	34	121
Banking, finance & insurance, etc	476	490	915	544	965	1,062
Public admin, education & health, etc	206	223	260	243	254	282
Other services	66	73	119	71	76	73
TOTALS	1,741	1,773	2,656	1,828	2,119	2,480

Source: Office for National Statistics via NOMIS

Table 5.2 shows the trend in notified vacancy numbers for Cumbria by sector and shows that the retail, distribution and hospitality trades typically account for more vacancies than any other sector, closely followed by the financial sector. The finance sector showed a particularly large number of notified vacancies reported in April, June and July.

The industry vacancy figures for July 2006 can be broken down between Travel to Work Areas in the County. Table 5.3 shows that there was a particular concentration of financial vacancies in Carlisle. Not surprisingly the retail and hospitality sector dominated vacancies in several areas and was also strong in Carlisle.

Table 5.3: Vacancy numbers in TTWAs by Broad Industrial Group – July 2006

Broad Industrial Group	Appleby	Barrow	Carlisle	Kendal	Keswick	Penrith	Whitehaven	Windermere	Workington
Agriculture and fishing	1	1	0	4	0	2	0	1	4
Energy and water	0	1	1	0	0	0	0	0	0
Manufacturing	0	12	19	22	1	5	51	0	13
Construction	0	40	25	17	1	4	14	7	10
Distribution, hotels and restaurants	21	84	181	52	33	70	59	77	102
Transport and communications	1	11	37	16	0	13	22	2	19
Banking, finance and insurance, etc	19	107	400	132	33	82	161	44	79
Public admin, education & health, etc	0	43	72	38	6	47	16	14	37
Other services	2	6	18	14	0	15	7	3	8
TOTALS	44	305	753	295	74	238	330	148	272

Source: Office for National Statistics via NOMIS

Vacancies can also be analysed by Standard Occupational Classification (SOC), which is a useful general indicator of the current skills level demands in the Cumbria labour market, although it must be noted that some occupational vacancies are more likely to be notified via Jobcentres than others. Trends in notified vacancies by SOC between February and July 2006 are shown in Table 5.4. The clearest pattern shown in the table is that Elementary Occupations consistently formed the largest portion of aggregate notified vacancies across the County. The Skilled Trades and Sales and Customer Service categories provide the next largest numbers of notified vacancies in most months.

Table 5.4: Trends in vacancy numbers by Occupation

Occupation classification	Feb 06	Mar 06	Apr 06	May 06	June 06	July 06
Managers & Senior Officials	65	71	115	111	61	100
Professional	27	26	54	44	32	79
Associate Professional & Technical	122	87	126	74	319	262
Administrative & Secretarial	195	201	238	125	130	134
Skilled Trades	212	286	412	196	304	423
Personal Service	125	155	200	162	92	191
Sales & Customer Service	332	333	401	472	352	293
Process, Plant & Machine Operatives	125	108	317	120	205	352
Elementary Occupations	538	506	793	524	624	646
TOTALS	1,741	1,773	2,656	1,828	2,119	2,480

Source: Office for National Statistics via NOMIS

Table 5.5 breaks down the aggregate Cumbria SOC figures for July 2006 according to Travel to Work Areas. Elementary occupations form the largest category of notified vacancies in most TTWAs but in Carlisle there was a particular demand for process/machine operatives and in Barrow and Copeland the demand was for skilled trades.

Table 5.5: Vacancy numbers in TTWAs by SOC – July 2006

Occupation classification	Appleby	Barrow	Carlisle	Kendal	Keswick	Penrith	Whitehaven	Windermere	Workington
Managers & Senior Officials	1	16	29	18	2	8	9	7	9
Professional	0	2	13	14	0	4	37	2	7
Associate Professional & Technical	0	46	95	32	25	14	32	2	15
Administrative & Secretarial	0	14	35	23	3	15	10	19	12
Skilled Trades	3	80	55	54	9	22	109	43	42
Personal Service	2	34	39	22	2	41	7	13	27
Sales & Customer Service	2	40	93	20	11	23	25	16	63
Process, Plant & Machine Operatives	15	10	213	35	2	14	35	0	26
Elementary Occupations	21	63	181	77	20	97	66	46	71
TOTALS	44	305	753	295	74	238	330	148	272

Source: Office for National Statistics via NOMIS

The vacancy data in this section may be examined in conjunction with earlier data on claimant counts (Section 4) and a rough 'claimant to vacancy ratio' calculated. This exercise is undertaken using data for TTWAs as they best equate to local labour markets. Whilst acknowledging that this rudimentary methodology has limitations, it nevertheless highlights areas that appear to have tighter labour markets than others. Table 5.6 shows the claimant to vacancy ratio for each TTWA as at July 2006. A claimant/vacancy ratio of less than 1:1, as seen in Kendal, Keswick and Penrith and Windermere, means that there are more notified vacancies than claimants available to fill them. Barrow and Workington had the highest ratios in July 2006 at 4.6 and 4.0 respectively.

Table 5.6: Claimant Count / Vacancy ratio for Cumbria and TTWAs – July 2006

TTWA	Claimant count	Total vacancies	Claimant/ vacancy ratio
Appleby	53	44	1.2
Barrow-in-Furness	1,418	305	4.6
Carlisle	1,524	753	2.0
Kendal	235	295	0.8
Keswick	31	74	0.4
Penrith	152	238	0.6
Whitehaven	1,144	330	3.5
Windermere	46	148	0.3
Workington	1,096	272	4.0
Cumbria	5,721	2,459	2.3

Source: Calculations from data from Office for National Statistics via NOMIS

SECTION 6
CURRENT STATE OF THE CUMBRIA ECONOMY

Background

The following section aims to provide an analysis of Cumbria's economy. The information is supported by evidence that is provided as a data appendix. The text is drawn from Cumbria's Sub-Regional Economic Action Plan 2006-09 which was produced for the North West Regional Development Agency.

The following statistics provide a baseline for understanding the nature of the economy within Cumbria and enable comparison with both the North West and England and Wales.

	Cumbria	**North West**	**England and Wales**
Population(1)	494,800	6,827,200	53,046,200
Land area (ha) (2)	676,715	1,410,571	13,027,872
Gross Value Added (£m) (3)	5,984	97,096	981,732
GVA per head (£) (4)	12,217	14,269	16,485
GVA per head as % of UK average (5)	76%	88%	100% (UK)
GVA growth rate (1995-2003) (6)	23.2%	45.3%	53.6% (UK)
Manufacturing GVA as % of total (7)	27.3%	19.1%	15.2% (UK)
Claimant count rate (8)	1.9%	2.8%	2.6% (UK)
Economic Activity Rate (9)	79.2%	76.6%	78.3%
Incapacity Benefit Rate (Working Age) (10)	7.6%	9.2%	7.5% (GB)
Median annual income (£) (11)	22,327	21,860	23,200
% Population in rural areas (12)	51.6%	12.1%	20.3%

Note: Numbers in brackets refer to a reference in Appendix 1 that contains supporting evidence.

A county of contrasts and challenges

Cumbria faces a number of challenges to improve both economic and social conditions in the County. Steps have been taken over the past 5 years to help create the right conditions to secure investment and economic growth. The creation of West Lakes Renaissance, the major attack on the rural economy through the first rural regeneration company in the nation and a full recognition by Government of the need for concerted action to deal with the restructuring of the nuclear industry in West Cumbria are clear examples of the major and innovative responses to Cumbria's relative decline over the past 15 years. Inroads have been made but much remains to be done.

Cumbria has been described as a County of contrasts (Sustainable Cumbria 2004-2024) and this is well demonstrated in the juxtaposition of outstanding landscape, at the heart of which is the Lake District National Park, alongside areas of major manufacturing and the nuclear facility of Sellafield. This contrast further applies to its economy. Within its boundaries, there are some local areas that are amongst the most deprived (13) in the UK alongside others where incomes are above average (14). Some places exhibit high levels of unemployment while others have strikingly low numbers of unemployed (15). The overall picture is, however, of a county that is now the worst performing sub-region of the UK in terms of GVA.

Across Cumbria there are many families that survive on very low incomes (16) and in rural areas in particular there are also high levels of "hidden unemployment" and underemployment [17]. In the industrial communities in Furness and West Cumbria worklessness and hidden unemployment are markedly severe [18]. In business there are examples of enterprises that operate globally and are highly successful in competing in world markets, but several international firms previously operating in Cumbria have made decisions to withdraw from the County and invest overseas [19].

In general terms, a contrast can be made between relatively poor economic performance in Furness and West Cumbria and a more buoyant economy in the communities that lie on the M6 corridor [20]. This contrast is reflected in shifts in population with static or declining totals in West Cumbria and Furness in contrast to net gains in the east of the County [21]. Again, however, there have been significant losses of wealth in Kendal, for example, where closures in insurance and financial services as well as manufacturing have seen the loss of higher wage jobs [22]. Recent employment growth has been in low wage tourism and retail industries [23]. In Carlisle recent large job losses in manufacturing and an inability to attract higher value employment have exposed the vulnerability of what had been considered previously to be a relatively robust local economy.

This complex picture is reflected by some of the most highly-paid employees in the County working in West Cumbria [24], while there are areas of deprivation in Carlisle [25] as well as households in the east of the County that experience rural deprivation [26]. Affordability of housing is also a factor in the east of the county and in rural areas which affects the ability to attract and retain workers; housing costs are now approaching ten times average earnings [27].

It is on this canvas that major and lasting change must be achieved. It will not be easily delivered and the trends of the last ten years, which have seen the economy of the County deteriorate sharply relative to the rest of the country, will need to be arrested [28]. The challenge of the impending decommissioning of Sellafield and the ensuing massive loss of jobs and income will need to be faced [29]. This will add further to the loss of high wage employment that has occurred over the past 15 years, which in turn has contributed to outmigration of the young [30] and immigration from eastern Europe of workers to sustain the tourist industry [31].

The Economic Climate

While the contrasts in the economy of Cumbria are very evident, there is one particular characteristic that they have in common. That is the fragility of the economic base of many communities that arises from geographical isolation [32], relative sparsity of population [33], a lack of critical mass in some economic activities[34] and high levels of dependency on a narrow range of activities and enterprises [35]. This applies to the shipbuilding and nuclear industries in Furness and West Cumbria [36], although dependency on a small number of industrial employers characterises many local communities across the County [37].

Cumbria is particularly exposed to external economic forces over which decision-makers in the County have relatively little control. There are a small number of externally owned large firms who account for the majority of jobs in manufacturing industry in Cumbria [38] and there is an underdeveloped base of medium-sized businesses [39] which are generally in local ownership in most sectors of the economy[40]. Partly as a consequence, there has been a succession of closures in manufacturing industry in the past five years [41] that has continued a trend for production to move away from the County. In addition, Cumbria is also vulnerable to the economic effects arising from changes in national and international policies related to energy, defence, agriculture and the provision of public services.

Employment and GVA

Job losses and closures have affected the manufacturing sector in particular where levels of GVA per worker are relatively high [(42)]. There has been employment growth in other activities between 1999 and 2003 but new jobs have tended to be in low GVA sectors [(43)]. The most prominent growth has occurred in retailing, hotels, restaurants and public sector services [(44)]. While there have been many high profile closures and employment reductions in manufacturing [(45)], the percentage fall in jobs in this sector has actually been less severe than the national average [(46)]. One of the main reasons for this has been the short term stability of employment levels at Sellafield but that is set to change in the near future [(47)].

The succession of closures in other manufacturing industry now means that industrial employment in West Cumbria and Furness is even more dependent on the nuclear sector than five years ago [(48)]. The most prominent sources of employment in Cumbria continue to be in manufacturing, retailing, hotels, restaurants and the provision of public sector services [(49)]. The County is still more dependent upon manufacturing, hotels and restaurants and agriculture than other parts of the region[(50)] while employment in financial and business services remains under-represented [(51)].

Overall GVA performance

While aggregate trends in employment appear at first glance to be favourable relative to regional and national trends, the reality is that a high proportion of employment growth can be attributed to increases in part-time employment [(52)]. By comparison, job losses have tended to affect older workers in full time employment, particularly in the manufacturing sector [(53)]. This distinction contributes to trends in the widening gap in gross value-added per head [(54)]. Evidence of reported corporate changes in the County tend to support this conclusion with many cases of closure in manufacturing industry alongside reports of job gains in sectors where wages and salaries are generally lower as in retail distribution and the provision of consumer services [(55)].

In contrast to the growth of employment which has exceeded regional averages [(56)], the performance of the Cumbrian economy in terms of trends in Gross Value-Added (GVA) has been extremely sluggish [(57)]. The Regional Economic Strategy (2006) draws attention to the continued poor performance of the County. Since the mid 1990s, the level of GVA per head of population in Cumbria has grown at the slowest rate of all sub-regions in the north of England [(58)]. In 1995, GVA per head was just above the North West average, equivalent to levels recorded for Greater Manchester and Lancashire and considerably higher than Merseyside [(59)]. By 2002, the figure for Cumbria had fallen well below the regional average [(60)] although most recent data for 2003 appears to indicate that there has been some improvement [(61)].

Some of the key reasons for this poor performance are self evident. The decline in GVA per head has clearly been influenced by a succession of closures and part closures in manufacturing capacity affecting sites throughout the County, but especially those within Furness and West Cumbria [(62)]. In comparison, growth in GVA has occurred in some economic activities in the County including business services, hotels, restaurants and retailing [(63)]. These activities in Cumbria have grown much more slowly than in other parts of the Region [(64)].

In short, there has been insufficient strength elsewhere in the economy to compensate for the continued losses in manufacturing industry and hence the continuing and dramatic decline in the relative wealth.

Enterprise and Employment

Official levels of unemployment have fallen to unprecedented low levels [(65)]. While unemployment appears not to be a widespread problem, it remains an issue for some communities that experience multiple forms of deprivation [(66)]. There are 24 specific localities (super output areas) that are in the ten percent most deprived areas and within that category 7 areas are in the worst 3% across the whole of England and Wales [(67)]. In these communities, a high proportion of the unemployed are long-term claimants (over 6 months) [(68)]. There are particularly high numbers of people of working age claiming Incapacity Benefit within West Cumbria and Furness [(69)] These figures reflect the substantial "hidden unemployment" in these communities.
Deprivation is a feature of rural areas but, with the exception of poor access to services and transport difficulties, the scale of the problem is often masked by statistical averages. Rural deprivation tends to focus at the level of individual households that depend on low wage employment [(70)] and experience long hours associated with multi-jobbing [(71)].

As is often observed in communities where large firms account for a high proportion of employment, recorded levels of enterprise activity and business start-up as measured by VAT registrations are relatively low especially in Furness and West Cumbria [(72)]. This data also shows, however, that more businesses in Cumbria tend to survive [(73)] which suggests that the level of displacement arising from new firm formation is lower than more urbanised parts of the Region. On the other hand, information from business support agencies suggests that while there are high levels of entrepreneurship below the VAT threshold, many micro businesses tend to survive on relatively low turnover and low incomes in both rural and urban areas of the County.

Skills, business support and physical infrastructure

Recent surveys conducted by the cumbria economic intelligence partnership continue to show the concerns of employers about basic skill levels in the labour market and difficulties in recruiting staff in specialist fields such as engineering and other appropriate technical qualifications [(74)]. There is a reported weakness too in the value adding sectors in financial and professional services. There is also qualitative evidence that some employers have concerns about the poor infrastructure in road rail and air transport and the need for effective business support services [(75)].

APPENDIX 1:
CURRENT STATE OF THE CUMBRIA ECONOMY

Background

1 – Source: Mid Year Population Estimates, Office for National Statistics, 2004

2 - Source: Census 2001, Office for National Statistics

3 - Source: Regional Accounts, Office for National Statistics, 2003

4 - Source: Regional Accounts, Office for National Statistics, 2003

5 - Source: Regional Accounts, Office for National Statistics, 2003

6 - Source: Regional Accounts, Office for National Statistics, 2003

7 - Source: Regional Accounts, Office for National Statistics, 2003

8 - Source: Office for National Statistics, Claimant Count, May 2006

9 - Source: Office for National Statistics, Annual Survey of Hours and Earnings, 2005

10 - Source: Benefits Information, Department for Work and Pensions, 2005

11 - Source: Office for National Statistics, Annual Survey of Hours and Earnings, 2005

12 - Source: DEFRA Rural-Urban Classification 2004 and Office for National Statistics Census 2001

A county of contrasts and challenges

13 – Almost 35,000 people in Cumbria live in Super Output Areas classified in the 10% most deprived in England. In Barrow district over 20% of the population live in these areas. (Source: Indices of Deprivation 2004, Office of the Deputy Prime Minister, 2004).

14 – Over 40% of Cumbria's households have an income in excess of the UK median. (Source: CACI Paycheck postcode database, 2005).

15 – Cumbria has 35 wards (out of 168) where the most recent claimant count rate (May 2006) was higher than the UK rate. In 7 of these wards, the rate was more than twice the UK rate – these were Mirehouse, Harbour and Sandwith in Copeland, Ewanrigg and Moss Bay in Allerdale and Central and Barrow Island in Barrow. Conversely, two wards in Cumbria have an official claimant count rate of 0% - these are Brough in Eden and Lakes Grasmere in South Lakeland. (Source: Office for National Statistics, Claimant Count, May 2006.)

16 – 8.3% of Cumbria's households have a median income that is less than 60% of the UK median. (Source: CACI Paycheck postcode database, 2005).

17 – In sparse rural areas of Cumbria 40.4% of employees work part-time, compared with 35.5% in the county as a whole and 32.0% in England and Wales. (Source: DEFRA Rural-Urban classification 2004, Office for National Statistics, Annual Business Inquiry 2004).

18 – All 3 of Cumbria's western districts have a higher than average proportion of their working age populations claiming benefits. Barrow is the highest (23.3%) followed by Copeland (18.1%) and Allerdale (15.4%). The average for England is 14.8%. (Source: Benefits Information, Department for Work and Pensions, 2005).

19 – Examples include Goodacre Carpets (Kendal) who have moved production to Poland, K-Shoes (Kendal) who moved production to Portugal and India, and Grasshopper Babywear (Maryport) who closed when Mothercare chose to source products from overseas. (Source: Cumbria Economic Bulletin.)

20 – Between 1995 and 2003 West Cumbria's total GVA grew by 18.6% compared with East Cumbria's 27.1%. In 2003 the average resident in West Cumbria generated 71% of the UK average GVA per head, compared with 80% in East Cumbria. (Source: Office for National Statistics, Regional Accounts, 2005).

21 – Total populations in Allerdale, Barrow and Copeland declined between 1981 and 2004 (by 1.3%, 3.8% and 4.8% respectively). Carlisle's, Eden's and South Lakeland's populations all grew over the same period (by 0.8%, 18.0% and 7.9% respectively). (Source: Office for National Statistics, Mid Year Population Estimates, 2005).

22 – Between 1998 and 2004 employment in Kendal in the banking, finance and insurance sector fell by 17% compared with growth in Cumbria of 17% and nationally of 14%. (Source: Office for National Statistics, Annual Business Inquiry.)

23 - Between 1998 and 2004 employment in retail/hotels/restaurants in Kendal grew by 20% over the same period compared with growth of 10% in the county and 9 % nationally. (Source: Office for National Statistics, Annual Business Inquiry.)

24 – Median annual earnings for all employees in Copeland are 38% above the national average and the highest for any district in the North West region. (Source: Office for National Statistics, Annual Survey of Hours and Earnings, 2005).

25 – 4 Super Output Areas in Carlisle are amongst the 10% most deprived in England. (Source: Indices of Deprivation 2004, Office of the Deputy Prime Minister, 2004).

26 – A quarter of Cumbria's rural population lives in wards that are in the top 10% most deprived for barriers to housing in services in England. (Source: Indices of Deprivation 2004, Office of the Deputy Prime Minister, 2004).

27 – The average house price in Cumbria is 8.6 times the median earnings of all workers in the county. This compares to ratios of 13.0 in South Lakeland and 11.4 in Eden. (Source: Land Registry, Jan-March 2006, and Office for National Statistics, Annual Survey of Hours and Earnings, 2005).

28 – Between 1995 and 2003 Cumbria's total gross value added (GVA) grew by 23.2% compared to a UK growth rate of 53.6%. This was the slowest growth rate of any subregion in the UK. (Source: Office for National Statistics, Regional Accounts, 2005).

29 – Approximately 12,000 people are currently employed on the Sellafield site. This figure is forecast to decline to less than 4,000 over the next 15-20 years. (Source: West Cumbria, a socio-economic study – 2003 update, ERM Economics).

30 – Between 1981 and 2004 the number of 15-29 year olds in Cumbria declined by 24.2%, compared with a 10.4% decline in England and Wales. (Source: Office for National Statistics, Mid Year Population Estimates, 2005).

31 – Between April 2004 and June 2006 migrants from the 10 eastern European states that joined the European Union in 2004 registered to fill 2,311 job vacancies in

Cumbria. Almost 50% of these registrations were in the hotels and restaurants sector. (Source: Workers Registration Scheme, Home Office, 2006).

The economic climate

32 – The map of England below identifies, with red dots, cities with populations in excess of 100,000. Circles with radii of 50km surround these cities. The map shows that Cumbria is the only county in England to have its entire land area outside these circles. (Source: Local Strategic Partnerships in England, IDeA website, 2005).

33 – Cumbria has the third lowest population density of any county in England at 0.72 persons per hectare. This compares with a national average of 3.77. Cumbria, therefore, has less than one fifth of the national population density. (Source: Office for National Statistics, Census 2001).

34 – There are 30 work places per 1,000 hectares in Cumbria. This compares with 165 for the northwest and 152 for England. (Source: Annual Business Inquiry 2004 and Census 2001).

35 – 22% of businesses in Cumbria regard themselves as extremely dependent on tourism, 15% on manufacturing and 10% on agriculture. (Source: CEIP Employer Survey 2004.)

36 - 8% of businesses countywide say they are extremely dependent on Sellafield and 4% on BAe Systems. These figures rise to 22% of businesses in Copeland being extremely dependent on Sellafield and 15% of those in Barrow being extremely dependent on the shipyard. (Source: CEIP Employer Survey 2004.)

37 – Despite an above average proportion of jobs in manufacturing, Cumbria has fewer business units in the sector than nationally (6.2% v 7.5%) demonstrating the disproportionate dependence the county has on a small number of businesses in this sector. (Source: Office for National Statistics, Annual Business Inquiry 2004.)

38 – Examples of externally controlled firms include the British Nuclear Group (Copeland), BAe Systems (Barrow), Pirelli (Carlisle), Jennings Brewery (Allerdale) and Northern Foods (Carlisle).

39 – Work places employing 11-49 account for only 12.5% of Cumbria's stock, compared to 14.4% in the northwest and 14.2% in England. (Source: Annual Business Inquiry 2004).

40 - 16% of firms employing 25-99 people have their head office located outside the North West of England compared with 9% of those employing 11-24 people and 7% of those employing 1-10. (Source: CEIP Employer Survey 2004.)

41 – In the last year alone significant numbers of jobs have been reported lost at Robert McBride, Enesco, Rathbones, Goodacre Carpets, Northern Foods, Carrs, Stead McAlpin, Huntsman, Alcan and Corus. (Source: Cumbria Economic Bulletin).

Employment and GVA

42 – In Cumbria, GVA per worker (FTE) in manufacturing in 2003 was estimated to be 140% of the average for all sectors. (Source: CEIP Analysis of Census 2001, Annual Business Inquiry and Office for National Statistics GVA data.)

43 – In Cumbria, GVA per worker (FTE) in retail was 70% of the average and in hotels and restaurants it was just 56%. (Source: CEIP Analysis of Census 2001, Annual Business Inquiry and Office for National Statistics GVA data.)

44 – Between 2000 and 2004 there was growth of almost 4,000 in the number of employees in employment in the retail and hospitality sector and growth of almost 8,000 in the public sector. (Source: Office for National Statistics, Annual Business Inquiry.)

45 – Between 2000 and 2004, there was a reduction of 3,000 in the number of employees in employment in manufacturing in Cumbria. (Source: Office for National Statistics, Annual Business Inquiry.)

46 – Despite the number of job losses in Cumbria in manufacturing (3,000 over 5 years) the percentage decline of 7.6% in the number of employees in employment was lower than the national rate of decline which was 18.2%. (Source: Office for National Statistics, Annual Business Inquiry.)

47 – Employment involved with the processing of nuclear fuel has increased in the ward in which Sellafield is located (Beckermet) by 28.8% between 1998 and 2004 (Source: Office for National Statistics, Annual Business Inquiry, 2005).

48 – The "processing of nuclear fuel" accounted for 52.4% of manufacturing jobs in Allerdale and Copeland in 2004. This is an increase from 39.0% in 1998. (Source: Office for National Statistics, Annual Business Inquiry, 2005).

49 – 19.9% of employees in employment in Cumbria work in the wholesale/retail sector, 17% in manufacturing and 24% in the public sector (including education and health). (Source: Office for National Statistics, Annual Business Inquiry 2004.)

50 – The corresponding figures for the North West are 18% (wholesale/retail), 14% manufacturing and 27% in the public sector. (Source: Office for National Statistics, Annual Business Inquiry 2004.)

51 - 11.4% of employees in employment in Cumbria work in financial intermediation or business services compared to 17.4% regionally. (Source: Office for National Statistics, Annual Business Inquiry 2004.)

Overall GVA performance

52 – Between 2000 and 2004 the number of employees in employment rose by 18,274 (9.4%) However, part time employment grew at a faster rate, 14.5%, than full time employment, 6.8%. (Source: Office for National Statistics, Annual Business Inquiry.)

53 – The age profile of those working in manufacturing is slightly older than average – 41.1% of workers in that sector are aged 45 or over, compared with 37.9% for all sectors. (Source: CEIP Cumbria Employer Survey 2004.)

54 – In 1995 the GVA generated per head in Cumbria was 93% of the UK average and 102% of the North West average. By 2003, both of these figures had dropped, to 76% and 86%, respectively. (Source: Office for National Statistics, Regional Accounts, 2005).

55 – The September 2005 Cumbria Economic Bulletin reported over 1,000 job losses in the manufacturing sector with 450 gains in the wholesale/retail and hotels/restaurants sectors. (Source: Cumbria Economic Bulletin Sept 2005.)

56 – Total employees in employment rose by 9.4% between 2000 and 2004 compared with growth of 6.3% regionally and 3.2% nationally. (Source: Office for National Statistics, Annual Business Inquiry.)

57 – Cumbria's economy grew at around half the rate of the next slowest growing sub-regional economy in the North West, Lancashire. The respective growth rates were 23.2% compared to 39.7%. (Source: Office for National Statistics, Regional Accounts, 2005).

58 – Between 1995 and 2003 Cumbria's GVA per head grew by 22.4%, the slowest growth rate in England. The next slowest growing sub-region for this measure was Tees Valley and Durham at 29.4%. (Source: Office for National Statistics, Regional Accounts, 2005).

59 – In 1995 Cumbria's GVA per head was 2.0% above the north west average. It was 0.7% less than the figure for Greater Manchester and 3.0% above the figure for Lancashire. It was also 31.1% above the figure for Merseyside. (Source: Office for National Statistics, Regional Accounts, 2005).

60 – In 2002 Cumbria's GVA per head was 14.4% less than the regional average. (Source: Office for National Statistics, Regional Accounts, 2005).

61 – Cumbria's GVA per head gap compared with the North West remained the same in 2003 (14.4%) indicating that the county grew at the same rate as the region for this measure of economic performance between 2002 and 2003. By 2003 the county's GVA per head was only 3.1% above that of Merseyside, compared with 31.1% in 1995. (Source: Office for National Statistics, Regional Accounts, 2005).

62 – GVA per worker rose by 9.26% in Cumbria between 1998-2003 compared with growth of 23.49% in England over the same period. Over this period, GVA per worker in manufacturing fell in Cumbria (-0.33%) compared with growth of 20.1% nationally. (Source: CEIP Analysis of Census 2001, Annual Business Inquiry and Office for National Statistics GVA data.)

63 – Between 1998 and 2003, total GVA in business services in Cumbria grew by 2.5%, in hotels/restaurants by 12.8% and in wholesale/retail by 33.1%. However, only in wholesale/retail did the average GVA per worker increase significantly over the period (17.3%). (Source: CEIP Analysis of Census 2001, Annual Business Inquiry and Office for National Statistics GVA data.)

64 – Between 1998 and 2003, total GVA in business services in England grew by 46% and per worker it grew by 28.5%. In wholesale/retail, total GVA in England grew by 30.5% (26.6% per worker) and in hotels/restaurants it grew by 35.3% (18.8% per worker). (Source: CEIP Analysis of Census 2001, Annual Business Inquiry and Office for National Statistics GVA data.)

Enterprise and Employment

65 – The claimant count rate in Cumbria in May 2006 was 2% (5,853 people) compared with May 2002 when the rate was 2% (8,002 people). The UK rate was the same as Cumbria in 2002 (2.7%) but in contrast had changed very little by 2006 at 2.6%.

66 – Cumbria's most deprived areas (in top 10% most deprived SOAs in England) account for 23% of Cumbria's job seeker's allowance claimants but only account for 7% of the county's total population. (Source: Indices of Deprivation 2004, Office of the Deputy Prime Minister, 2004, and Office for National Statistics).

67 – Cumbria has 7 Super Output Areas in the worst 3% in England and Wales. Five of these are in Barrow with one each in Allerdale and Copeland. (Source: Indices of Deprivation 2004, Office of the Deputy Prime Minister, 2004).

68 – Cumbria has 21 Super Output Areas where the proportion of the unemployed who have been out of work for over 6 months is higher than the national average (36.8%). Two SOAs in Copeland and one in Allerdale have an LTU proportion of more than 45%. (Source: Office for National Statistics Claimant Count.)

69 – Over the whole county 7.6% of the working age population are claiming Incapacity Benefit. There are wide variations, however, with 13.0% claiming in Barrow and 4.4% in Eden. (Source: Department for Work and Pensions, 2005, and Office for National Statistics, Mid Year Population Estimates, 2004).

70 – 44.9% of Cumbrian households with total incomes of under £15,000 are located in rural parts of the county. (Source: DEFRA Rural-Urban Classification 2004, CACI Paycheck 2005).

71 – South Lakeland has the second highest level of its working population having a second job in the UK (7.6%). Eden is ranked fourth (6.8%). As a county, Cumbria has the highest level of people with second jobs in mainland UK (4.8%). (Source: Office for National Statistics, Annual Population Survey, 2005).

72 – VAT registrations per 1,000 total population in Eden and South Lakeland (5.9 and 5.3 respectively) are slightly higher than the national figure of 5. However, in Allerdale, Barrow and Copeland the rates are significantly lower – 2.1, 1.3 and 1.4 respectively. (Source: Office for National Statistics VAT registrations 2004.)

73 – The national rate of 3-year survival for businesses registered in 2001 was 68.8%. In the North West the rate was 67.3% and in Cumbria it was 75.8% which is the highest 3-year survival rate in England. (Source: Small Business Service.)

Skills, business support and physical infrastructure

74 – 18% of businesses say that a shortage of people able to do the job is a significant barrier to their business' success; 6% say there is already a significant gap between the current skills of their workforce and those needed and 34% say that their workforce will require new skills over the next 3-5 years. Of those with current skill needs, 20% said engineering skills were lacking. (Source: CEIP Employer Survey 2004.)

75 – 16% of businesses say that road congestion is a significant barrier to their business' success while 8% cite distance from markets and 6% other transport issues. (Source: CEIP Employer Survey 2004.)

SECTION 7: EXAMINING THE AFFORDABILITY OF HOUSE PRICES IN CUMBRIA

Background

Ensuring a supply of affordable housing is a key challenge to secure sustainable communities. This report presents an assessment of affordability issues for Cumbria using information at a local level on house prices and household income. It is intended to highlight the areas of greatest need to inform future interventions.

About the data

Paycheck data (CACI, 2005) has been used as a measure of household income at the postcode level. This dataset provides an assessment of the number of households within each postcode that fall into £5000 income bands up to £100,000. It also provides us with a mean and median income figure for each postcode. This data has also been analysed to provide the same breakdown for wards for the purpose of this report. Streetvalue data (CACI, 2005) has been used to provide an indication of mean and median house price information at the postcode level and this information, too, has been aggregated to ward level.

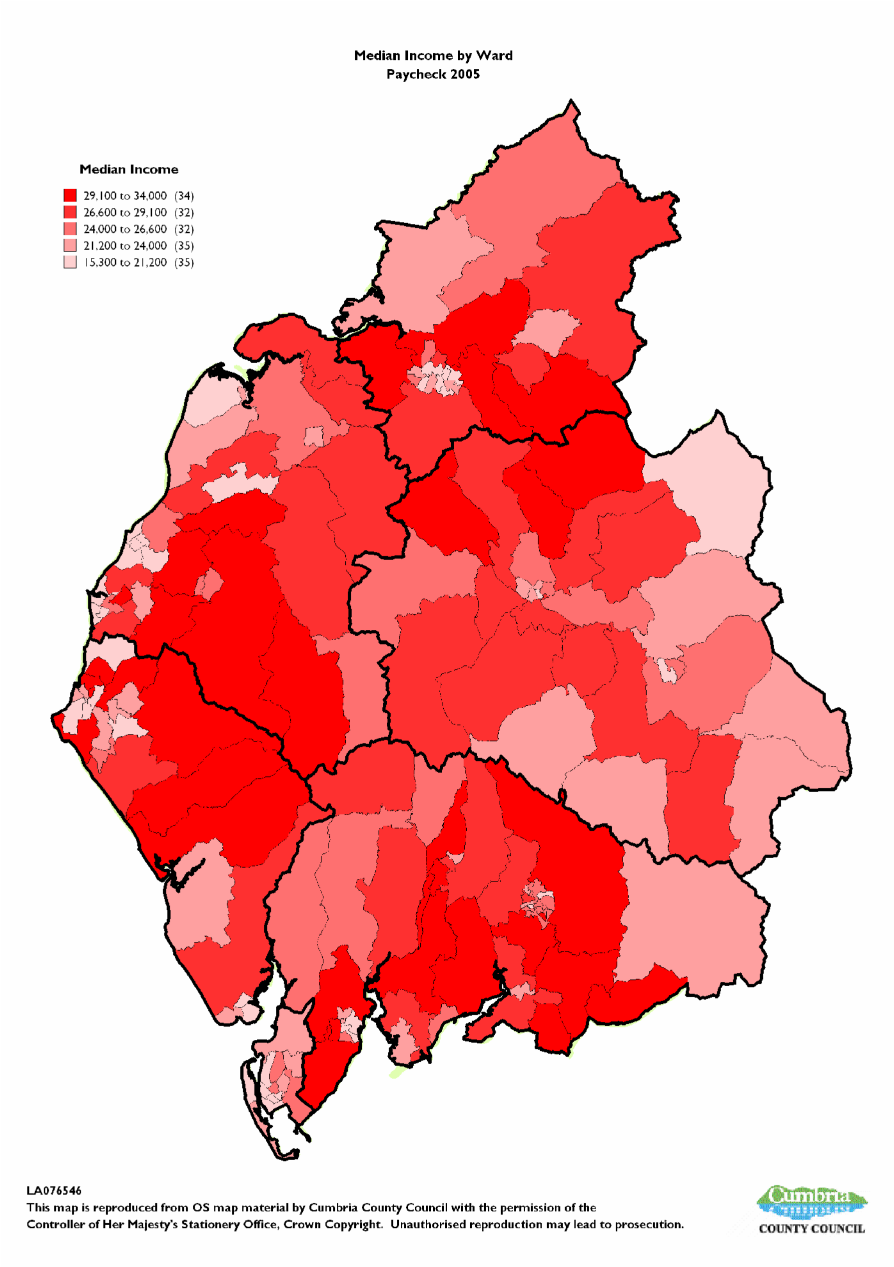
Key Findings

- Many of the highest median household incomes are in wards which surround densely populated urban areas.
- Lowest median household incomes are primarily urban areas in Carlisle, Workington, Whitehaven and significant parts of Barrow.
- Highest median house prices are present in wards surrounding (although not including) urban Kendal, south east Allerdale, outskirts of Penrith and Southern parts of Eden.
- Lowest median house prices are evident in many of the urban areas, particularly in many parts of Barrow, on the West Coast and in some areas of Carlisle.

Examining Income at Ward Level

We will use median average house price and income figures to analyse affordability. This is due to the fact that mean averages can be skewed by a small number of very high individual incomes or house prices. Figure 1 shows the median household income by ward mapped thematically for Cumbria. The level of shading gives an indication of the median household income of each ward – the darker the shading then the higher the median household income. Median household incomes range from just over £15,000 to £34,000. The highest median household incomes are attributed to wards surrounding many of the densely populated urban wards, in particular wards to the north of Carlisle, rural parts of the west of the County, along with urban wards near Whitehaven. High median household incomes are also evident in areas to the east of Kendal, and north of Barrow. The lowest household median incomes are primarily urban wards situated in Carlisle, Workington, Whitehaven and a significant part of Barrow.

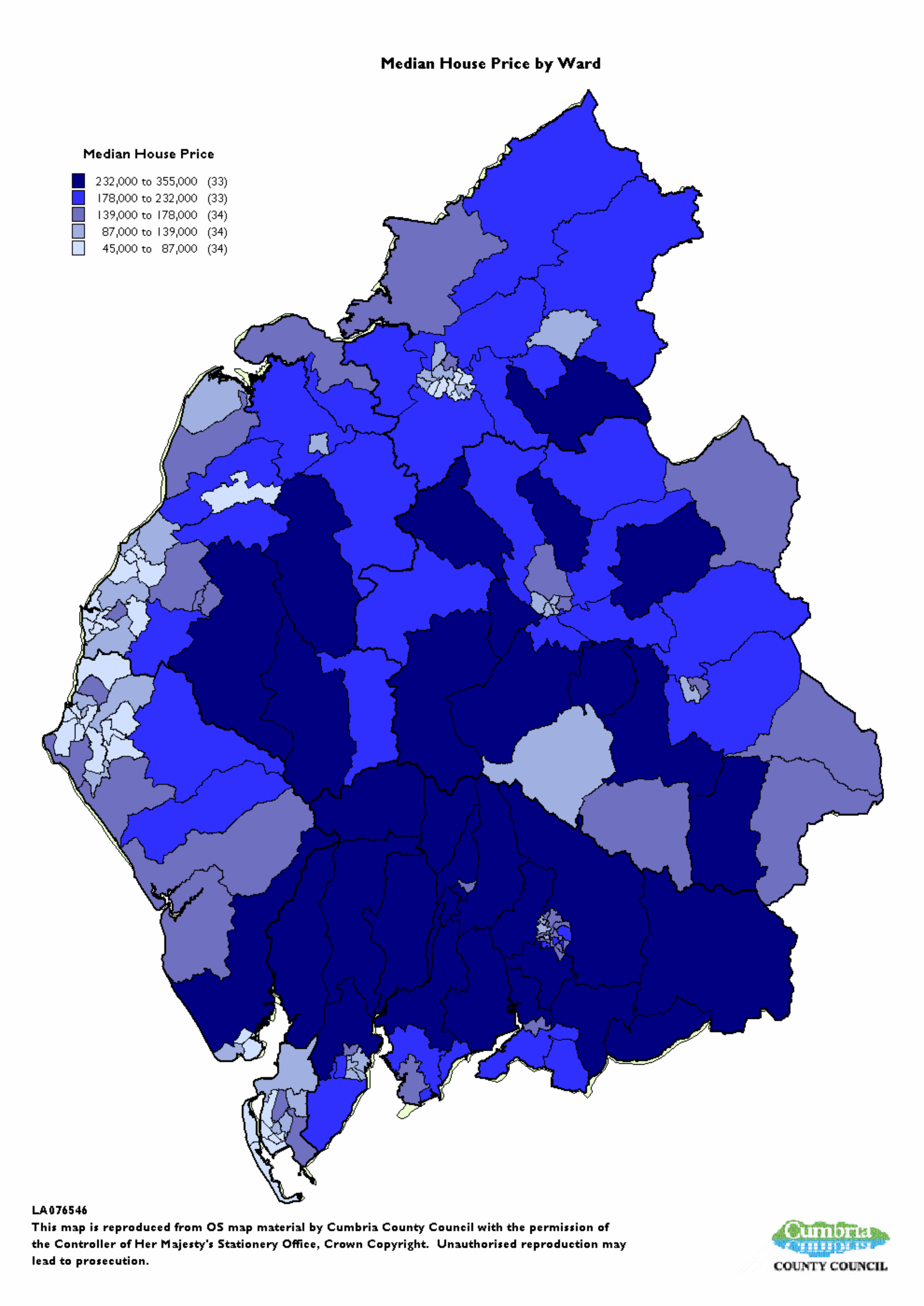
Figure 1: Median household income by ward, Paycheck 2005. Note: lighter = lower household incomes



Examining House Prices at Ward Level

Median house prices at the ward level ranged from £45,000 to over £350,000 (median values) in 2005. Figure 2 shows each ward shaded according to its median house price. The highest prices are most prevalent in the areas surrounding Kendal town centre, south-easterly parts of Allerdale, areas around the outskirts of Penrith and southerly parts of Eden, as well as Wetheral near Carlisle. It is the densely populated, urban wards where median house prices are lowest. Much of Carlisle, the West Coast around Workington, Maryport and Whitehaven and significant parts of Barrow have relatively low prices. Areas in urban Kendal are relatively low in comparison to most of South Lakeland, although they are not as low as other urban areas.

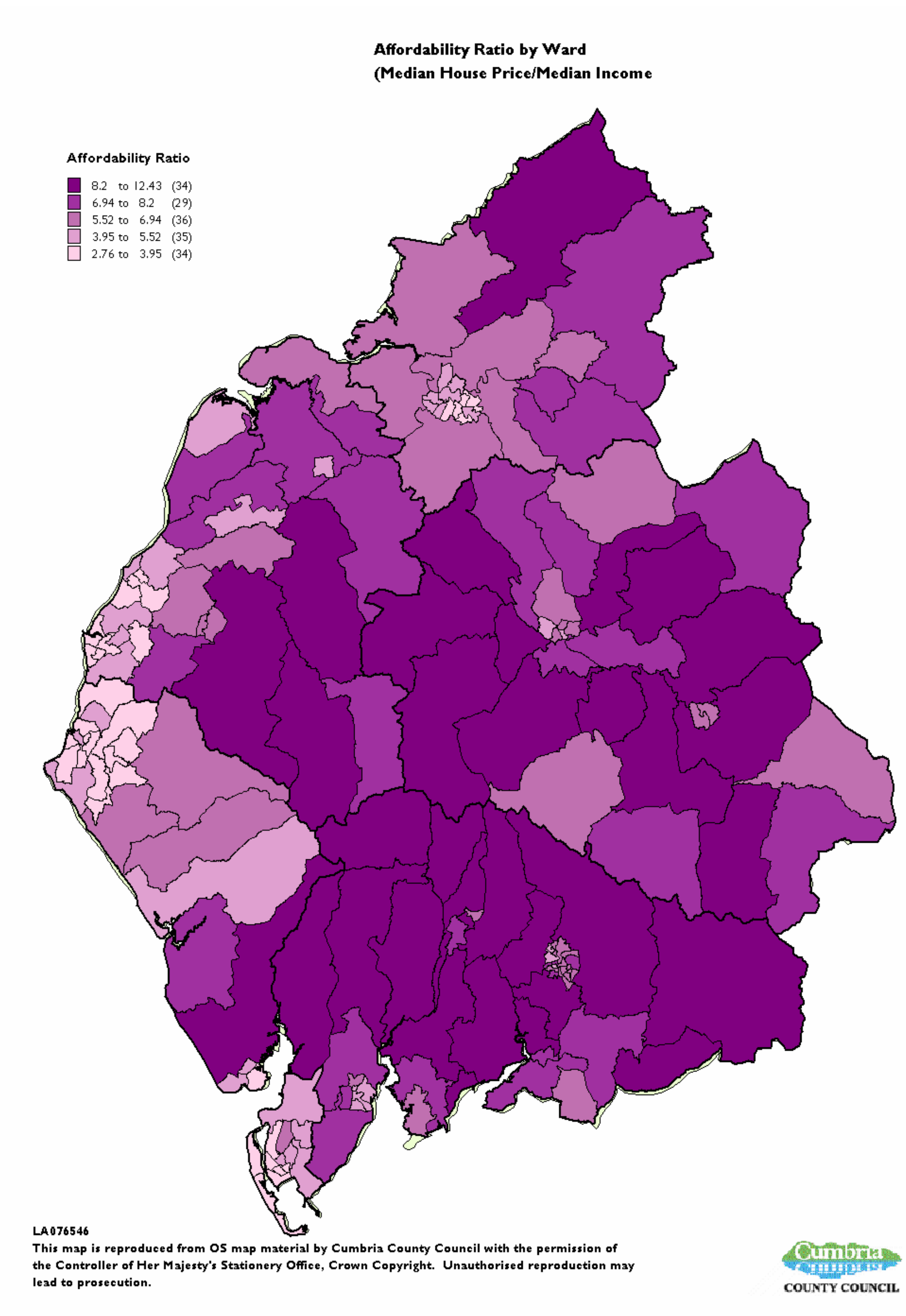
Figure 2: Median house price by ward, Streetvalue 2005. Note: lighter = lower house prices



Affordability Ratio by Ward

By looking at the differences between median income and house prices it is possible to highlight those wards where affordability may be a real problem. Each ward has been given a ratio that has been calculated by dividing the median house price by the median household income. A high ratio value indicates an area where affordability may be a problem. This analysis is shown in Figure 3.

Figure 3: Affordability ratio by ward (Median House Price/Median Household Income). Note: lighter = more affordable



The dispersal of wealth in terms of income is much more countywide than the dispersal of highest house prices. For example, although a number of wards surrounding Carlisle appear in the top 10% for median income, they do not appear in the top 10% for median house prices. The affordability map represents a combination of the two, and the emerging picture is very similar to the median house price map. So, house prices, not wages, tend to control affordability.

Using the Paycheck and Streetvalue data it is possible to estimate the proportion of households in each ward that would be able to afford the median house price if they were a first time buyer. Put simply, this has been achieved by taking the median house price for each ward and subtracting 5% (to account for a deposit necessary when buying a house). The residual figure is the amount that each household would have to borrow using a mortgage to afford the median house price for that ward. This figure is then divided by 3 to give an approximate household income that would be required to obtain a mortgage. Finally, it is then estimated how many households earn in excess of this amount based on the proportion of households falling into each income band. This figure is then represented as a percentage, and mapped in Figure 4 below.

A real affordability issue is evident for a significant part of the County. A combination of factors may result in affordability being an issue for a particular ward. It may be that incomes are reasonably high for an area, but if house prices are also high then the percentage of people who can afford to buy may be lower than in an area where the median incomes are actually lower. The map shows that affordability for households is a particular problem for many rural wards, particular those in South Lakeland, and significant parts of Eden. Affordability for households is also an issue for some rural parts of the West of the county (Crummock, Boltons and Derwent Valley).

Figure 4: Proportion of households who can afford the median house price

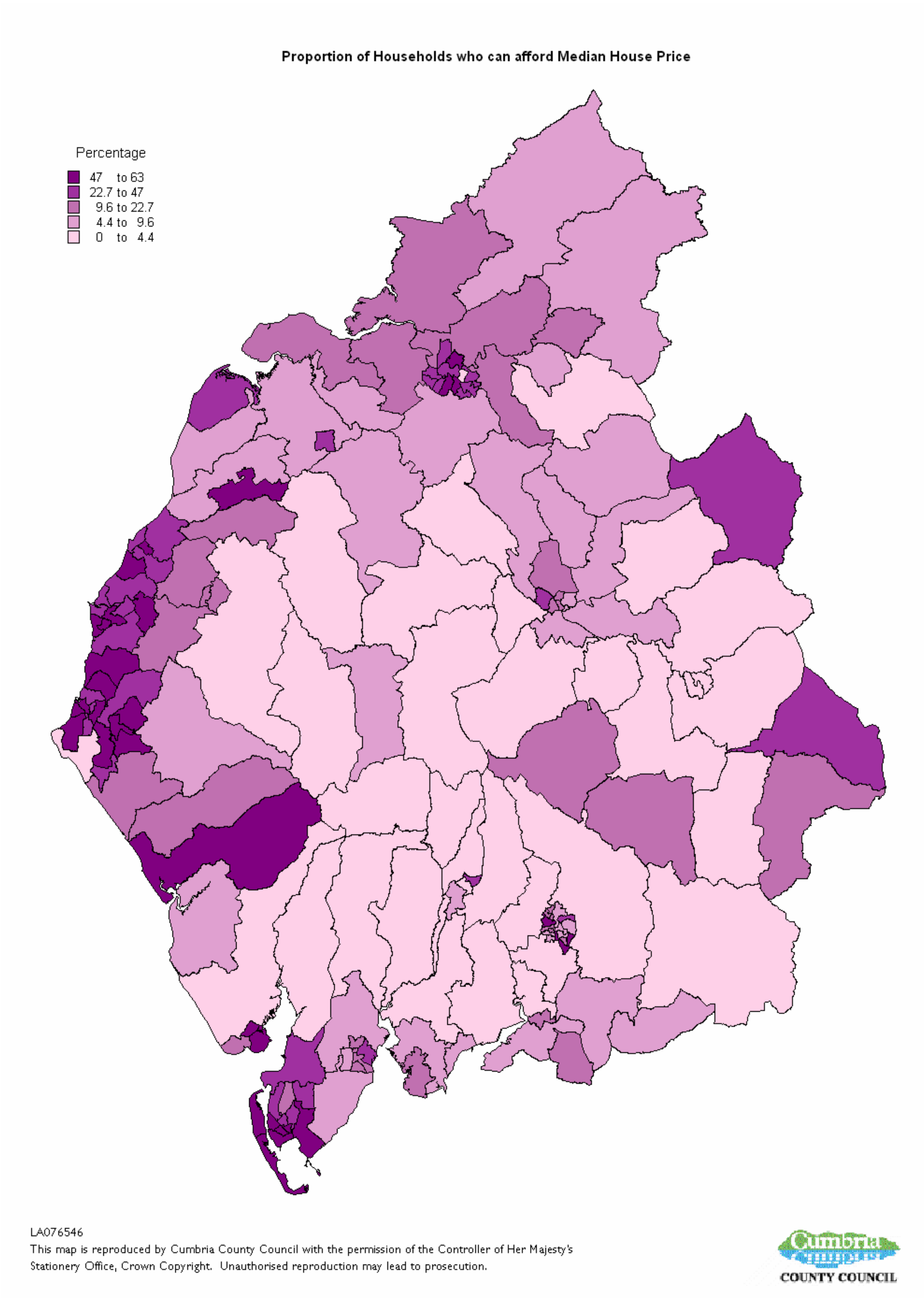
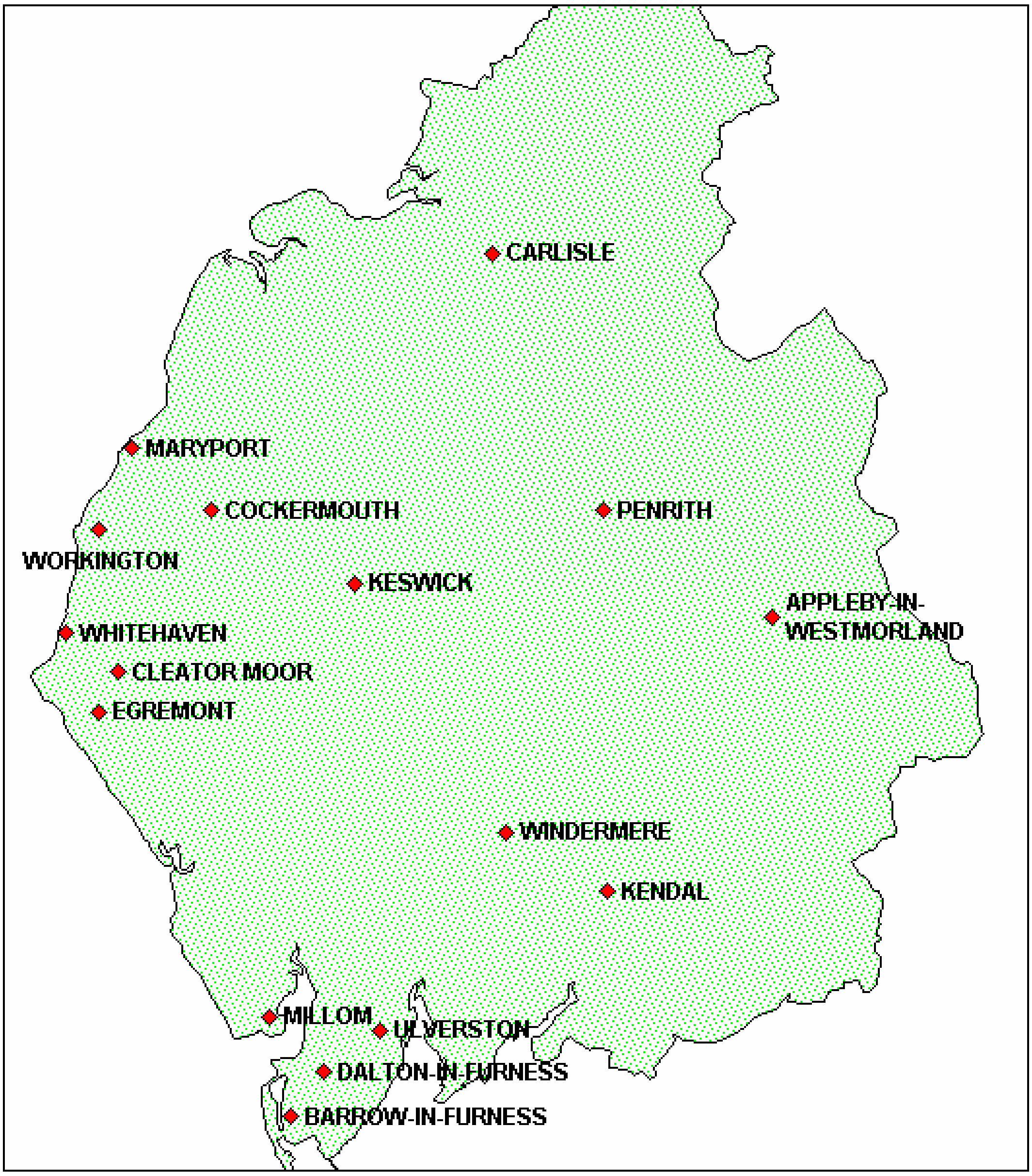


Figure 5: Towns in Cumbria shown for comparative purposes with maps above



SECTION 8
MIGRANT LABOUR IN CUMBRIA AND THE ENLARGED EUROPEAN UNION

Since the last issue of the Economic Bulletin, new figures have been released by the Home Office on the numbers of migrants from new accession states coming to work in the UK during the period 2004 to 2006. The data release has been accompanied by the latest Accession Monitoring Report[4] produced by the Department for Work and Pensions (DWP) and early analysis of impacts on the labour market[5].

Before reporting on figures for Cumbria, it is important to understand how this data is collated as this affects how it should be interpreted. The UK government requires that labour migrants from the eight new accession states (A8)[6] that intend working for more than one month should register with the Home Office under the Worker Registration Scheme (WRS). Migrants who move between jobs are expected to make a further application to the WRS. For this reason, the Home Office analysis makes an important distinction between "migrants" (or numbers of applicants) and "migrant jobs" (numbers of applications). The WRS is technically a register of the latter – the number of jobs filled by migrants.

It is possible for one migrant to make multiple WRS applications which will tend to exaggerate the scale of labour migration. The recently published figures attempt to reduce this problem by eliminating multiple and repeat entries from the same applicant. This process led to a reduction from 558,000 approved registrations nationally down to an estimated 427,000 applicants. This gives a reasonable estimate of the gross (cumulative) figure for numbers of migrant workers entering the country. However, there is no record of deregistration (migrants returning to home country or ceasing to work) hence this source is not a reliable measure of actual number of migrant workers in the UK at any point in time.

Bearing these points in mind, the data reveals some interesting patterns comparing different parts of the country, different nationalities and types of jobs. Table 1 shows that over the period 2004-06, 411,000 migrant workers from the A8 countries entered employment in the UK which represents 1.58 percent of total employment. The equivalent calculation for the North West Region is 1.21 and lower still in Cumbria at 1.08.

Table 1: Numerical significance of migrants in the labour market, 2004-2006

	Employed Workforce	WRS workers	Ratio of migrants to total workforce
Cumbria	213,005	2,311	1.08
NW	3,026,093	36,555	1.21
GB	26,024,705	410,690	1.58

Source: Calculations from data supplied by DWP

The source countries of the 2,311 migrant workers entering Cumbria are shown in Table 2. By far the largest number originate from Poland (1,309 or 57%) followed by Slovakia (387) and Lithuania (218). These patterns broadly reflect those found in the national data. The 2006 Accession Monitoring Report reveals that this structure of migration from Eastern Europe has remained fairly consistent through the period 2004 to 2006 with significantly more applicants from Poland in every quarter. National data

4 DWP (2006) *Accession Monitoring Report*, May 2004 – June 2006, August.
5 Portes J and French S (2006), "*The impact of free movement of workers from central and eastern Europe on the UK labour market: early evidence,*" Working Paper No 18, DWP.
6 These are the A8 (accession eight), namely, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

also reveals that most A8 migrants are aged 18 to 34 (82%) with particular increases in the age group 18 to 24 during July and August. The male-female ratio is weighted slightly towards males (58:42).

Table 2: EU New Accession Migrant Workers by Source Country 2004-2006

Nationalities	% GB WRS Applications	% Cumbria WRS	No. in Cumbria
Czech Rep	5.3	6.6	153
Estonia	1.2	0.6	14
Hungary	3.0	5.8	135
Latvia	6.3	3.9	91
Lithuania	11.8	9.4	218
Poland	61.9	56.6	1,309
Slovakia	10.4	16.7	387
Slovenia	0.1	0.2	4

Source: Home Office

Table 3 shows the breakdown of national data across job types (where available) as defined by the Home Office. The classification used here does not conform to any official datasets and therefore the data cannot be compared with aggregate figures for the whole labour market. It is not possible to draw firm conclusions about the precise nature of jobs, but even so, this gives an impression of the role of A8 migrant labour across the country. The categories suggest that some of these workers take jobs where there are low barriers to entry in terms of skills and knowledge (labouring, cleaning, kitchen assistant, packer etc). There are others, however, where interpersonal skills and language ability may be important, as might apply in sales and retailing, serving in restaurants and bars and care workers. Other categories suggest jobs where there may be skill shortages in the UK (chef, HGV drivers). However, there is a large number in the two least well-defined categories (process worker and other/not stated) that together account for over 43 percent of the total. For this reason, it is difficult to generalise about the skills mix of these workers at national level. These jobs are also the "first destination" of migrants, where it may be the case that jobs with easy access (and low skill requirement) are taken as a temporary measure while searching for jobs that make better use of skills. There is clearly quite a lot of further investigation required to explore these labour market effects in detail.

Data on the ten most common job types in Cumbria has been acquired from the Home Office (see Table 4). Again, the format of this data does not allow direct comparison either with national data or the figures reported by the Home Office above (although there are some broad similarities in classification). Nearly half of these migrants take jobs associated with tourism, recreation and leisure activities with smaller numbers in industry, retailing, and manual jobs in various contexts (building, farm work, packers, cleaners). Interestingly, however, a minority are highly qualified workers in administration and medical services.

Table 3: EU New Accession Migrant Workers to the UK by job type 2004-2006

Type of job	UK total	Percent
Process worker	95865	24.7
Warehouse operative	25215	6.5
Packer	24130	6.2
Kitchen and catering assistant	24090	6.2
Cleaning and domestic staff	20430	5.3
Farm worker	18105	4.7
Waiter, waitress	15840	4.1
Maid / room attendant	13835	3.6
Care assistant	12610	3.2
Sales and retail assistant	10535	2.7
Labouring, building	10525	2.7
Crop harvester	8020	2.1
Food processing operative (fruit/veg)	6295	1.6
Bar staff	6030	1.6
Food processing operative (meat)	5030	1.3
Chef, other	4845	1.2
Driver, HGV	3620	0.9
Administration	3600	0.9
Fruit picker (farming)	3580	0.9
Delivery van	2695	0.7
Not stated	73385	18.9
	388280	100.00

Source: DWP Accession Monitoring Report 2004-2006

Table 4: EU New Accession Migrant Workers to Cumbria by job type 2004-2006

Job types	Number	% total
Hotels, restaurants (chef, kitchen staff, porter, waitress, maid, bar staff)	1094	47.3
Process Worker (factory worker, engineer)	277	12.0
Cleaner, packer, handyman, gardener	211	9.1
Food processing (fruit, vegetables, meat, bakery)	128	5.5
Sales, retail, warehousing	118	5.1
Medical (care assistant, surgeon, dentist)	96	4.2
Agriculture (Farm worker, farm hand)	78	3.4
Building labourer	64	2.8
Office work (administrator, manager, receptionist, PA)	45	1.9
Sports and leisure attendants	30	1.3

Source: Home Office

While detailed patterns require closer examination, these movements of people conform to expectations that might be derived from theories of labour migration in general. Such migrations tend to be age selective involving younger age groups and the gender bias towards males (though this is not as marked as in some previous migrations), is also not unusual. Movements of people also reflect differences in wage potential at source and destination locations. Earnings potential in the UK is much higher than in the EU Accession States in general. It has been reported, for instance, that "low salaries in Poland, sometimes around £200 a month, is one reason the country's citizens are attracted to working in the UK" (BBC News, 22nd August 2006).

The movement of labour in response to spatial differences in wage levels is, indeed, a longstanding feature of regional development in Europe. As noted by Russell King (1994)[7] "labour migration into the industrialised countries of North-West Europe between the 1950s and 1970s is, quite simply, one of the contemporary world's most remarkable and large scale human phenomena" (p. 221). These previous movements involved very different source countries, including significant movements of people from southern European countries into NW Europe. The causes of these movements, however, are very similar to the present – intensified demand for labour in the host countries combined with an imbalance between economic opportunity and demographic change in source countries.

The impact of this new pattern of in-migration has yet to be studied in depth. There has, however, been one recent attempt to evaluate the impact of migrants on unemployment nationally (Portes and French, 2006). These authors test the relationship between numbers of A8 migrant workers and changes in local unemployment counts in local authority areas. The relationship between these variables was found to be fairly weak. They conclude that labour migration is associated with employment growth rather than displacing indigenous workers. This pattern is consistent with the interpretation that excess demand for labour in the UK has been a primary cause of recent migration. The authors admit, however, that this analysis does not take account of movements of domestic labour within the UK and the issues surrounding hidden unemployment are not addressed. Even so, this evidence indicates that A8 migration over the past two years has been making a positive contribution to the UK labour market.

[7] Russel King (1994), "*Migration and the Single Market for Labour: an Issue in Regional Development,*" Chapter 6 in Blacksell M and Williams A (eds), The European Challenge: Geography and Development in the European Union, OUP.

APPENDIX 2
MAP OF CUMBRIA TRAVEL-TO-WORK AREAS

TRAVEL TO WORK AREAS, 1998