

CUMBRIA ECONOMIC BULLETIN

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Centre for Regional Economic Development

Cumbria
 **Intelligence**
Observatory

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INTRODUCTION

Welcome to the March 2009 edition of the *Cumbria Economic Bulletin*.

For the benefit of new users, the Bulletin is jointly produced by the Centre for Regional Economic Development (CRED), at the University of Cumbria in Carlisle, and the Cumbria 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, Cumbria Vision, Invest in Cumbria, Cumbria Tourism, the Lake District National Park, Cumbria Learning & Skills Council 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.

We would like to take the opportunity to point out that a monthly unemployment and claimant count/rate briefing can be supplied via an *e-mail* distribution list. Names can be added to this list on request by e-mail to ginnym@investincumbria.co.uk.

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

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

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SECTION 1

MACRO ECONOMIC OVERVIEW

The global economy

Over the past six months since our last issue, the state of the global economy has rarely been out of the headlines in the media. Even the International Monetary Fund (IMF), an organisation not normally given to making headlines, issued a report in January that referred to the fact that the "world economy is facing a deep downturn"¹ and that "the uncertainty surrounding the outlook is unusually large". Indeed, the IMF Managing Director, Dominique Strauss-Kahn, has dubbed the economic situation the "Great Recession"² signalling a predicted reversal of growth in GDP during 2009 for the first time in over 60 years. IMF data shows that even in 2008, output from the "advanced economies" (the world developed economies including the newly industrialized Asian economies – but excluding China) grew by only 1 percent compared to 2.7 percent in the previous year. IMF analysts predict that these countries combined will experience a fall in output in 2009 approaching -2 percent. This analysis also shows that the UK has performed below average for this group of countries in 2008 (+0.7%) and that the decline is likely to be more severe than most in 2009 (predicted fall of -2.8 percent).

There may be arguments about precise figures, but few commentators question the overall conclusion. 2009 is likely to be remembered as a benchmark year in the evolution of the global economy with, as yet, an uncertain outcome. The Bank of England Inflation Report for February 2009 refers to a "sharp and synchronized downturn" in the global economy. Official data shows that output in the most advanced economies fell markedly in the fourth quarter of 2008 and world trade "contracted abruptly"³. The UK Monetary Policy Committee meeting on March 4th-5th noted that output dropped sharply in 2008 quarter 4 in the UK's two largest export markets in the United States (-1.6%) and in the Euro Area (-1.5%).

Employment and unemployment

Attention has also increasingly focused on the extent to which these trends in financial indicators will translate into reductions in employment and a return to high levels of unemployment on a global scale. Analysis in a recent report issued by the International Labour Organisation (ILO, 2009)⁴ attempted to model scenarios for unemployment during 2009 (using ILO definition - jobless people who want to work, are available to work, and are actively seeking employment). This work shows that there has already been an upward trend in the rate of unemployment both globally (up from 5.7 percent in 2007 to 6 percent in 2008) and in the Developed Economies in particular (rising from 5.7 percent to 6.4 percent). ILO scenarios suggest that increases in unemployment in the Developed Economies are likely to rise further in 2009 ranging from an optimistic scenario of 6.6 percent up to 7.9 percent. According to these estimates, even the optimistic trend would lead to an unemployed count of 33 million across Developed Economies while the worst case scenario would reach a staggering 40 million.

¹ IMF World Economic Outlook UPDATE January 28th 2009

² Wearden G "IMF: World economy to shrink for first time in 60 years in great Recession" The Guardian; 10th March 2009.

³ Bank of England Inflation Report, February 2009.

⁴ International Labour Organisation (ILO) Global Employment Trends January 2009
http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_101461.pdf

Trends in the UK

UK Economic indicators for the first part of 2009 reflect the context described above. In the 4th quarter of 2008, GDP was down 1.8 percent on a year earlier and this has been followed by an announcement of significant falls in manufacturing output in January 2009 (down over ten percent on the same month in 2008). The UK Unemployed Claimant Count increased from 831,000 (2.2%) in January 2008 to 1,283,000 (3.4%) in the same month in 2009 (see Section 2 of Bulletin for further details). This shows, therefore, an increase of 438,000 people claiming benefit. This measure significantly underestimates the actual number of people who are currently unemployed and seeking work. Using the ILO definition, the unemployment rate rose to 6.3 percent in January 2009.

The impact of the rise in unemployment clearly falls on those directly affected by job losses associated with corporate changes. Worsening of labour market conditions, however, also has ripple effects on other aspects of the economy, including prominently a decline in consumer confidence and lower spending with consequences for further rounds of job losses in the retail and commercial sectors. Perhaps paradoxically, retail sales in the first quarter of 2009 showed growth by 2.4 percent on the previous year (though as reported in Bulletins at that time, 2008 was not a good year for retail sales). These trends suggest that there are still many processes working through the economy and that there may be significant lag effects as the global recession permeates through the working of the labour market.

There are significant examples in Cumbria that illustrate the possible mechanisms that produce such lag effects. Many jobs for instance, have been placed "under review" as in the case of Corus. Pirelli also has adopted a cautious approach to labour market adjustment by announcing a four day week for all staff. Short-time working has, in fact, become a common response to cope with the downturn in orders and there are prominent examples of this in the automotive sector in particular. Toyota, for instance, recently announced cuts in working hours and reduced pay for its UK workers. The scheme, negotiated with unions, will reduce pay by ten percent for 4,300 workers and, at least temporarily, avoid the problems associated with compulsory redundancies⁵. Short-time working measures (also called temporary layoffs) could, at least in the short term, reduce the rise in unemployment across the UK and Europe, although this is evidently at the cost of reduced wages for employees. There are further details and analysis in this context in our analysis of job losses and gains in Cumbria (see section 3).

⁵ John O'Doherty FT.Com March 11 2009 <http://www.ft.com/cms/s/0/3b28b31a-0e1d-11de-b099-0000779fd2ac.html>

SECTION 2 SELECTED NATIONAL ECONOMIC INDICATORS

Table 2.1: Economic Indicators

Economic Indicator	Level	Change on		
		previous month	previous quarter	year earlier
Gross Domestic Product (Q4 2008)	n/a		-1.5%	-1.8%
Manufacturing output (Jan. 2009)	n/a		-6.4%	-10.4%
Service sector output (Dec. 2008)	n/a		-0.9%	-0.7%
Headline annual inflation (RPI) (Jan. 2009)	0.1%	-1.3%		
Underlying annual inflation (RPIX ⁶) (Jan. 2009)	2.4%	-0.8%		
Base (Repo) interest rate (end Feb. 2009)	1.0%			
UK claimant count (Jan 2009)	1.23million		+236,800	+438,100
UK ILO unemployment rate (3 months to Dec. 2008)	6.3%		0.4%	1.1%
Whole economy productivity (Q3 2008)	n/a		-0.4%	-0.2%
Manufacturing productivity (Q3 2008)	n/a		-0.4%	0.5%
Halifax house prices (Feb. 2009)	n/a	-2.3%		-17.7%
Sterling effective Exchange Rate Index (Jan. 2005=100) (end Feb. 2009)	78.24	+0.28%	-6.6%	-17.88%

Sources: National Statistics; Bank of England Online statistics; 16/3/09.

⁶ RPIX = Retail Price Index excluding mortgage interest payments

SECTION 3

CORPORATE CHANGE IN CUMBRIA

As expected, the last six months has seen much activity on the job front (see Table 3.2). Surprisingly, however, the number of reported job gains (1,604) has exceeded the number of reported job losses (1,465). Looking behind the aggregate figures though, a different picture is painted. A handful of firms announcing large numbers of new jobs accounted for half of all the reported gains. These come from BAe Submarines Solutions (500 job gains), Her Majesty's Revenue and Customs (130 job gains), Stobart (100 job gains) and Sellafield (62 job gains). Conversely, there are many smaller firms announcing job losses particularly in the retail sector where these losses are associated with firm closures. About one third of all announcements of job losses, it would appear, can be directly attributed to the recession with reasons for job losses quoted as being due to liquidation; or reduced demand for products as a result of problems either in consumer spending in retail markets or in the housing market (construction industry). On the other hand, six cases of job gains appear to be associated with firms that benefit from recession due to consumers "trading down" for example in their purchases of food (see B & M Bargains), meals (see McDonalds), clothes (see The Ten Shop) and high street products (see Argos).

The sectoral distribution of reported job gains and losses can be seen in Table 3.1. There has been a reversal to what was seen in the previous six months, with manufacturing job gains (695) being far greater than the job losses (396) and in contrast, the reverse situation for the retail sector. As mentioned, in the manufacturing sector, the majority of job gains emanate from BAe's recruitment plans to take on 500 workers in its efforts to deliver the Astute-class nuclear-powered submarines for the Royal Navy. Many manufacturing firms, faced with reduced demand for their products, have laid off workers (see Metal Box, Alcan Packaging, Robert McBride, British Gypsum, Cumbrian Seafoods, Lillyput Lane, Acrastyle, West Port, Pirelli, Habasco Cushion factory, Arla Foods, Tornado Wire and Cemex).

In the months since Christmas, the retail sector has seen many small shops go into liquidation with consequent job losses (see Klick, Card Warehouse, The Works, Zavvi, Qube and OSC). Most notably, of course, there has also been the closure of all nine Woolworths stores in the County due to the firm's liquidation.

The sector to have seen the next highest level of activity is that of Hotels and Restaurants. Some clubs have benefited from revamps and are now opening thereby creating jobs (see, for example, The Litten Tree and The Viva) whilst new cafes are also opening.

Job gains in the Transport, Storage and Communication sector are dominated by those emanating from Stobart Group's plan to redevelop Carlisle Airport, creating a passenger and freight service as well as a new base for the trucking business. Job losses in this sector come from two sources: firstly, from the fall-off in demand for road haulage (see F. Brown and ECM); and secondly, from cutbacks in the media (see ITV Border and CN Group).

The construction industry bears job losses due to the recession in the housing market hitting the firms Story Construction, Cumbria Homes and, in the general construction market, hitting G. Middleton Ltd. and Thomas Armstrong Ltd.

There are also a few large employers in the public sector who are seeking cuts in staffing costs due to budget problems. They are hoping that staff will apply for voluntary redundancy schemes and early retirement but if not, compulsory redundancies may follow (see the Cumberland Infirmary and West Cumberland Hospital, the University of Cumbria and South Lakeland District Council).

Job prospects in some sectors though should improve if some or all of the following plans take effect in the coming months. These include:

- 1,500 jobs in Workington if plans for a £100M seaside community are passed. Eatonfield Developments plan to build 650 houses and apartments, a hotel, restaurant, pub and shops on the former Corus rail site.
- Construction company, Northern Developments is planning to build on a 26-acre piece of land at Lillyhall North. The plans include a mix of offices, industrial units, a hotel, car showrooms, fuel forecourt and food outlet. When complete, these are hoped to bring 1,038 jobs representing £32M of private sector investment in the area.
- If planning is approved, Lyon Property Developments will build a leisure park with 172 chalets and caravans and business park at Blencowe Quarry (disused) near Newbiggen, Penrith. It would create up to 350 jobs.
- Sainsburys will create 350 jobs if it gets planning permission to build a new 60,000ft² store at Caldewgate in Carlisle.
- Tesco has submitted plans to build a new 30,000ft² store and café in Wigton which would employ 270 people
- JWPC Ltd consultancy is submitting plans for a new gas pipeline that will run underneath Walney. A liquefied natural gas deepwater port will be built 35km off the coast of Barrow where a ship will transfer the gas into a pipeline connected to an onshore facility at Rampside where the gas will go into the national grid. The on-shore facility will employ 6 members of staff and the one-year construction project will create 60 jobs.
- A farmer wants to develop leisure facilities at Fell End Caravan Park at Hale near Milnthorpe spending £3.5M on a swimming pool, gym, restaurant and retail units. This would generate 40 temporary jobs and a further 5 when the facilities are open.
- There are plans to turn Lowther Castle and gardens into a tourist attraction that would generate 28 jobs.
- Waste company, Shanks Waste Management, intends to build a waste recycling facility, 5 miles north of Carlisle, creating 23 jobs. Once operational in 2012, the treatment plant would receive an average of 40 heavy lorries per day and only 8-15% of total rubbish deposited would end up as that needing to be buried.
- Tesco Express is planning to convert the Woolworths store in Ulverston and open in the Spring, creating between 20 and 30 jobs.

We have always made it clear that the data in Tables 3.1 and 3.2 come from **reported** job gains and losses and that these have not been independently verified. Coverage of all job gains/losses in the County will be incomplete and in particular, will not include the majority from very small firms as most of these will not be reported to the press. It is also important to bear in mind that these are job announcements that may not take place immediately, particularly in discussion of job gains that are dependent upon implementation of investment plans. There is also heightened interest in the media in job gains and losses due to the current economic situation which could partly explain the much larger coverage illustrated in table 3.2.

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

	Jobs	
	To be / gained	To be / lost
Mining and Quarrying	-	22
Manufacturing	695	376
Electricity, Gas and Water Supply	-	-
Construction	-	105
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	162	376
Hotels and Restaurants	250	34
Transport, Storage and Communication	118	149
Financial Intermediation	-	-
Real Estate, Renting and Business Activities	256	16
Public Administration and Defence; Compulsory Social Security	19	90
Education	-	129
Health and Social Work	85	130
Other Community, Social and Personal Service Activities	19	18
Totals	1,604	1,465

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

Table 3.2: Reported Jobs Gained and Lost – Breakdown

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
01-Sep-08	Cemex	Edenhall	Manufacturing		6	The co.'s manufacturing capacity has had to be reviewed given the downturn in the building sector and drop in demand for building blocks.
04-Sep-08	Cumbrian Seafoods	Whitehaven and Maryport	Manufacturing	40		20 jobs have been created at their plant in Whitehaven and 20 at the Grant's business in Maryport to mitigate the 70 job losses at the Solway Rd. plant, Maryport (cf. CEB 2/9/08, p.13).
05-Sep-08	Cumberland Infirmary and West Cumberland Hospital	Carlisle and Whitehaven	Health and Social Work		130*	The North Cumbria University Hospitals NHS Trust blames increasing budget pressures on the need to cut staffing costs.

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
10-Sep-08	GK Group	Cumbria	Retail		20*	As one of Cumbria's biggest car dealers, it has launched a cost-cutting review due to the decline in consumer spending on cars. More than 20 people will lose their jobs from its branches in Carlisle, Penrith, Lillyhall, Dumfries and Stranraer.
11-Sep-08	Peacocks	Carlisle	Retail	13		The fashion retailer opened an outlet in the city's Woolworth's store, one of its planned 30 new stores across the country.
13-Sep-08	F. Brown	Cardewlees	Transport, Storage and Communication		20	The haulier is axing driver jobs due to the recession, high fuel prices and competition from foreign hauliers.
16-Sep-08	Robert Mc. Bride	Barrow	Manufacturing		37	The soap manufacturer says that some contracts have been lost whilst raw material costs have also been rising.
17-Sep-08	Aquaclear Leisure	Carlisle	Hotels and Restaurants	20		Opening of a new antipasto bar and cafe.
18-Sep-08	West Port	Maryport	Manufacturing		25	The window and door manufacturer faces reduced demand for its products.
23-Sep-08	Argos	Carlisle	Retail	30		A new store on the Kingstown estate, part of a major expansion programme for Argos.
25-Sep-08	Cumbrian Co-Op	Egremont	Retail	6		Re-opening of store after a £650,000 refit.
25-Sep-08	The Litten Tree	Carlisle	Hotels and Restaurants	35		This bar on Botchergate will reopen as Party Party after a £350,000 revamp.
30-Sep-08	ECM (Vehicle Delivery Service)	Carlisle Airport	Transport, Storage and Communication		45*	This car delivery firm faces a loss of business due to the 20% downturn in new car sales. Not all of the redundancies may be made at Carlisle as the firm has a number of other depots across the country.
03-Oct-08	First Milk	Aspatria	Manufacturing		11	The cheese factory is responding to "a milk shortage hitting the industry." (Cumberland News 3/10/08).

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
08-Oct-08	Wardgroup	Barrow	Manufacturing		8	This glass firm has laid off 8 contract workers as part of the firm's normal seasonal cycle.
10-Oct-08	Metal Box	Carlisle	Manufacturing		56	Decline in sales.
10-Oct-08	United Utilities	Whitehaven	Hotels and Restaurants	30		Workers will be employed in the new restaurant facilities in the call centre.
13-Oct-08	Cemex	Hartley and Shap Quarries	Mining and Quarrying		22	11 jobs lost at each quarry as the building materials supplier suffers from the downturn in the building sector.
17-Oct-08	Alcan Packaging Co.	Workington	Manufacturing		40	A loss of work from a confectionary co. will reduce its volume of work by half. Hence it will be restructuring its operation.
18-Oct-08	Acrastyle	Ulverston	Manufacturing		28	The electrical controls co. suffers a drop in work.
21-Oct-08	Agilisys	Barrow	Real Estate, Renting and Business Activities	50		New customer advisors for the call centre.
23-Oct-08	Cumbrian Seafoods	Maryport	Manufacturing		30	Closure of its main Maryport factory at least until next year being unable to find enough business.
29-Oct-08	Millbry Hill	Whitehaven	Retail	8		A leading retailer of equestrian products, pet food and accessories is opening a new shop.
30-Oct-08	Hoops Fitness	Barrow	Other community, Social and Personal Service Activities		4	The gym has been making a loss for the last two years as membership has dwindled.
05-Nov-08	The Ten Shop	Whitehaven	Retail	4		New clothes shop selling fashion industry stock at lower than normal retail price, at £10.
06-Nov-08	Eastman Chemical	Workington	Manufacturing	18		The firm has completed an 18-month expansion programme. The new buildings on site have allowed production of acetate tow, used in the manufacture of cigarette filters, to increase by 60%.

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
07-Nov-08	Pirelli	Carlisle	Manufacturing		20	Demand for tyres has fallen. The guaranteed week in terms of hours for production has also been suspended.
07-Nov-08	Thomas Armstrong (Construction) Ltd.	Flimby	Construction		20	The building firm has laid off workers due to the Penrith New Squares development being halted.
13-Nov-08	Club M	Barrow	Hotels and Restaurants	30		New nightclub opens.
18-Nov-08	Henry Armer and Son	Greenodd	Manufacturing	10		A new facility is being built that will allow the firm to expand its production of grounds maintenance and all-terrain vehicles.
18-Nov-08	Habasco Cushion factory	Barrow	Manufacturing		17	The factory has shut because of the sharp drop in furniture sales and the loss of its main market providing cushions for Habasco's imported cane furniture.
18-Nov-08	Cumbrian Homes	Penrith	Construction		19	Tradesmen and site operatives are losing their jobs due to the recession in the housing market and the fact that the firm already has a lot of existing housing stock.
19-Nov-08	Tornado Wire	Millom	Manufacturing		10	The fencing manufacturer faces a decrease in demand for its product and is therefore moving to two rather than three shifts per day.
19-Nov-08	Mc. Donald's	Cumbria	Hotels and Restaurants	50		New jobs are created in their restaurants at Carlisle, Whitehaven, Workington and Penrith as sales growth increases due to people "trading down" as the recession hits and they opt for a cheap meal out.
19-Nov-08	Whitehaven Golf Club	Whitehaven	Other community, Social and Personal Service Activities	13		A £10M overhaul will bring 62 pine chalets, a new clubhouse and restaurant, a new academy (training) course and re-shaping of the existing course.

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
20-Nov-08	Brookside Farm Products	Maryport	Manufacturing	45		Extra workers have been taken on by the fish factory in order to meet the Christmas rush of orders esp. of smoked salmon. However, they are temporary jobs lasting about 3 months.
21-Nov-08	TDC Technical	Barrow	Real Estate, Renting and Business Activities	7		The documentation co. at Trinity Enterprise Centre is expanding.
21-Nov-08	BAe Land Systems	Barrow	Manufacturing		25	Job losses at the shipyard armaments plant due to government delays in orders for new army vehicles.
28-Nov-08	The Viva	Workington	Hotels and Restaurants	40		This nightclub, formerly Fusion, has opened following a £60,000 revamp.
05-Dec-08	Direct Rail Services (DRS)	Carlisle	Transport, Storage and Communication	18		The firm has diverted into training its own train engine drivers.
05-Dec-08	The Social Bar and Café	Carlisle	Hotels and Catering	20		A new café opening in Lowther Street.
05-Dec-08	Her Majesty's Revenue & Customs	Barrow	Public Administration		40	Plans to close the tax office as part of its restructuring across the country.
10-Dec--08	The Caledonian	Carlisle	Hotels and Restaurants		14	"High rental charges, higher business costs and the cost of beer in pubs compared to cut-down prices in supermarkets with less people going out" are blamed for the pub's closure.
12-Dec-08	Furness Newspapers Ltd.	Barrow	Transport, Storage and Communication		13	Part of CN Group's restructuring as the firm faces falling revenue due to the recession.
12-Dec-08	Gyrodata Drilling Automation Ltd.	Barrow	Manufacturing	7		The high-tech drill firm at Greenodd is moving to Barrow and expanding its workforce.
12-Dec-08	The Westmorland Gazette	Kendal	Transport, Storage and Communication		8	Much editorial work is being transferred to the regional office in Blackburn.

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
15-Dec-08	Oxley Development Co. Ltd.	Ulverston	Manufacturing	13*		The co. makes electronic components for the defence and aerospace industries in the UK. Sales growth in 2008 was up by 12% and the firm invested £560,000 in new equipment, reporting a significant profit of £1.1M. It expects to grow further.
16-Dec-08	Sellafield Ltd.	Seascale	Manufacturing	62		Graduates in 2009 will be taken on for jobs in design, construction, commissioning, operations and decommissioning.
22-Dec-08	G. Middleton Ltd.	Appleby	Construction		48	The building and joinery firm went into administration.
23-Dec-08	Klick	Carlisle	Retail		10*	About 10 staff will lose their jobs at shops in Carlisle and Dumfries as the parent group Bowrie Castlebank Group sells off or closes its Klick branches. The collapse of the business is "blamed on the rise of digital photography" (Cumberland News 23/12/08).
31-Dec-08	Card Warehouse	Barrow	Retail		5	The parent co., Celebrations Group, is in administration. Its rival, Card Factory, has taken over 76 of the 288 outlets but already has a branch in Barrow.
05-Jan-09	Woolworths	Cumbria	Retail		266	9 stores closed across the whole of Cumbria as the firm went into administration.
06-Jan-09	Cumbria Cruises	Barrow	Real Estate, Renting and Business Activities	10		The call centre employees will be selling cruise holidays. The firm doubled its sales target in the three months Sep.-Nov. 2008.
08-Jan-09	Card Warehouse	Whitehaven	Retail		6	See entry above.
09-Jan-09	Card Warehouse	Workington	Retail		6	See entry above.
09-Jan-09	Richard Rose Federation	Carlisle	Education		49	Part of its restructuring. The two academies hope to save £1.4M from their staff bill in a raft of measures to help reshape the education provided at the schools.

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
12-Jan-09	BT	Barrow	Real Estate, Renting and Business Activities		5	Loss of staff at the call centre in handling directory and overseas enquiries.
12-Jan-09	The Zone	Ulverston	Other community, Social and Personal Service Activities	6		A multi-entertainment centre will open in April housing a synthetic ice rink, a children's fun house and a café.
12-Jan-09	British Gypsum	Kirkby Thore	Manufacturing		33	Production is scaled back due to the recession in the construction industry.
15-Jan-09	The Eden Lodge Hotel	Bardsea	Hotels and Restaurants	15		A new 11-bed luxury hotel and restaurant opening in the Spring.
15-Jan-09	Capita Local Government Services	Carlisle	Public Administration	15		New staff are to process revenues and benefit payments due to new contracts to provide support, advice and resources to local authorities across the UK.
16-Jan-09	Wetheriggs Pottery	Near Penrith	Retail	6		A craft shop, café, education and conference centre will open.
16-Jan-09	The Works	Workington	Retail		6	Closure.
23-Jan-09	Zavvi	Carlisle	Retail		15	The music store has gone into administration.
23-Jan-09	Twisted Fork	Appleby	Hotels and Restaurants	10		A new café at Centre 67 creating part-time jobs for young people.
23-Jan-09	Arla Foods UK	Appleby	Manufacturing		20	The dairy co. is closing its depot and transferring its work to sites at Lockerbie and Stourton, near Leeds.
23-Jan-09	Next Clearance shop	Barrow	Retail		11	Closure of the clothing store.
29-Jan-09	Reliance Security	Barrow	Real Estate, Renting and Business Activities	55		The firm's contract is to provide security guarding and fire watching for BAe at the Barrow shipyard.

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
29-Jan-09	Smallworld	Carlisle	Real Estate, Renting and Business Activities	4		The broadband supplier and cable TV provider has reported a 9.26% increase in sales over the period Jun.-Dec. 2008. The co. believes the increase has come as a direct result of people deciding to stay at home because of the financial climate. The extra staff will be providing sales and installations.
29-Jan-09	Max Travel (Cumbria)	Workington	Transport, Storage and Communication		13	The taxi and minibus operator has ceased trading.
29-Jan-09	Stobart	Carlisle airport	Transport, Storage and Communication	100		These jobs will be created once the Group's plan to redevelop the airport is completed.
30-Jan-09	Her Majesty's Revenue & Customs	Lillyhall	Real Estate, Renting and Business Activities	130		These extra jobs (additional to those reported in the Cumbria Economic Bulletin of Sep. 2008) could be created since an expansion of services is planned to give people help with their tax and self-assessments.
05-Feb-09	BAe Submarines Solutions	Barrow	Manufacturing	500*		Recruitment plans cover the whole business in its efforts to deliver the Astute-class nuclear-powered submarines for the Royal Navy. Some of the new staff will be employed in its offices in the South of England.
06-Feb-09	B&M Bargains	Penrith	Retail	25		The Blackpool-based independent discount grocery chain has taken over the Woolworth's premises. The chain "has been expanding at a rate of a store a fortnight for the last two years" (Cumberland News 6/2/09).
07-Feb-09	Brampton Business Centre and Telecentre	Brampton	Real Estate, Renting and Business Activities		5	Housed in the Irthing Centre in the town, it will close due to Carlisle City Council surrendering its lease of the building from Cumbria County Council.
12-Feb-09	South Lakeland District Council	South Lakeland	Public Administration		50	Due to a deficit of £2M in the Council's budget for 2009/10, this is an attempt to cut £1.75M from its employment costs.

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
16-Feb-09	Carlisle City Council	Carlisle	Public Administration	4		Additional benefits officers are being recruited due to the increased demand for their services due to the worsening economic climate causing more people to apply for benefits.
19-Feb-09	Abbey Meadow nursing home	Barrow	Health and Social Work	85**		A £3M extension will add an extra 45 beds for people needing care.
19-Feb-09	Qube	Carlisle	Retail		13	In administration.
19-Feb-09	Parm Properties	Barrow	Real Estate, Renting and Business Activities		3	The estate and leasing agency has closed due to a combination of the recession and family illness.
19-Feb-09	Hewden Plant Hire	Barrow	Real Estate, Renting and Business Activities		3	Hewden's is closing 20 of its 102 depots around Britain (Cumberland News 19/2/09) as a result of the recession affecting industries like construction.
19-Feb-09	Jessops	Barrow	Retail		5	One of the 17 branches nationwide that the photographic store chain is closing.
20-Feb-09	OSC	Barrow	Retail		8	The clothing store has gone into administration.
20-Feb-09	The Bankfield House Hotel	Kirksanton near Millom	Hotels and Restaurants		20	Closure due to loss of business due to the temporary closure of the A5093, on which it stands, for roadworks.
20-Feb-09	Dunelm Mill	Workington	Retail	70		The new furnishings store opens in April.
23-Feb-09	University of Cumbria	Cumbria	Education		80	The University intends to reduce its wage bill by £2.56M as it faces a trading deficit in the last financial year of £5.5M.
24-Feb-09	Lillyput Lane	Penrith	Manufacturing		30*	The co. is relocating to their site at Langholm and the redundancies will occur across both sites.
25-Feb-09	ITV Border	Carlisle	Transport, Storage and Communication		50	Merger with Tyne Tees has meant the closure of the Durrhill studios.

Date Reported	Firm Name	Location	Standard Industrial Classification	Jobs		Reason Quoted
				To be / Gained	To be / lost	
26-Feb-09	Mobex Cumbria Ltd.	Workington	Other community, Social and Personal Service Activities		14	The charity provided outdoor training and the Duke of Edinburgh Award Scheme but has gone into liquidation.
26-Feb-09	Story Construction	Carlisle	Construction		18	The house builder and civil engineering firm faces the downturn in the construction market.

* This figure is not to be taken as exact as either 1) the news reporter was unable to obtain the exact number of job losses/gains from the firm but this indicative number was given or 2) the job losses/gains were to be shared with co. sites outside Cumbria and the exact share was unknown.

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

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

SECTION 4 UNEMPLOYMENT AND CLAIMANT DATA

Claimant trends in Cumbria

The number of people claiming unemployment benefit has risen significantly in Cumbria from a year ago. The figures reveal an annual rise of 47.1% for the county between Jan 2008 and Jan 2009 with 2,360 more claimants (up to 7,369 people); see Table 4.1. This is a slightly lower rise than in the UK (up 54.4%) and similar to the North West (up 49.7%). Unemployment has risen over the year in all districts. The highest percentage rises were in South Lakeland (up 86.6%) and Eden (up 76.5%) and the lowest percentage rises were in Barrow (up 22.7%) and Copeland (up 30.5%).

Analysis of the data by Travel to Work Areas (TTWAs) allows some of the variations within districts to be more clearly seen. Absolute claimant counts are still relatively low in Keswick and Windermere, while the major industrial centres have counts ranging from 1,372 in Whitehaven to 1,975 in Carlisle. The Jan 2009 figures show an annual rise in all TTWAs. Numerically, the biggest rise over 12 months was in Carlisle (up 755).

Table 4.1: Claimant counts

	Jan 08	Jul 08	Jan 09	6-Month Change Jul 08-Jan 09		Annual Change Jan 08-Jan 09	
				No	%	No	%
Allerdale	1,058	1,098	1,642	544	49.5	584	55.2
Barrow	1,102	1,025	1,352	327	31.9	250	22.7
Carlisle	1,143	1,225	1,826	601	49.1	683	59.8
Copeland	1,090	1,057	1,422	365	34.5	332	30.5
Eden	221	187	390	203	108.6	169	76.5
South Lakeland	395	404	737	333	82.4	342	86.6
Appleby TTWA	44	47	125	78	166.0	81	184.1
Barrow TTWA	1,253	1,160	1,566	406	35.0	313	25.0
Carlisle TTWA	1,220	1,325	1,975	650	49.1	755	61.9
Kendal TTWA	196	223	429	206	92.4	233	118.9
Keswick TTWA	41	12	82	70	583.3	41	100.0
Penrith TTWA	155	125	228	103	82.4	73	47.1
Whitehaven TTWA	1,046	1,025	1,372	347	33.9	326	31.2
Windermere TTWA	46	43	80	37	86.0	34	73.9
Workington TTWA	989	1,019	1,469	450	44.2	480	48.5
Cumbria	5,009	4,996	7,369	2,373	47.5	2,360	47.1
North West	110,250	116,193	164,996	48,803	42.0	54,746	49.7
UK	830,542	871,288	1,282,645	411,357	47.2	452,103	54.4

Source: Office for National Statistics via NOMIS

The picture is similar when viewed over a 6-month period indicating that most of the rise has occurred in the latter half of the year. Between Jul 2008 and Jan 2009 unemployment in Cumbria rose by 47.5% (2,373) which is similar to the rise of 47.2% in the UK and 42% in the North West. Because of seasonal factors, the change over 12 months gives the best indication of trends.

The trends in numbers of claimants are also reflected in the rates of unemployment for the districts (% of working age population) which are shown in Table 4.2. Across the county as a whole, the official unemployment rate was 2.5% in Jan 2009, up by

0.8 from the rate in Jul 2008 and a year ago when it was 1.7%. The rate in Cumbria remains below the UK rate which increased slightly more over the year (up by 1.2).

Table 4.2: Claimant count rates (resident based)

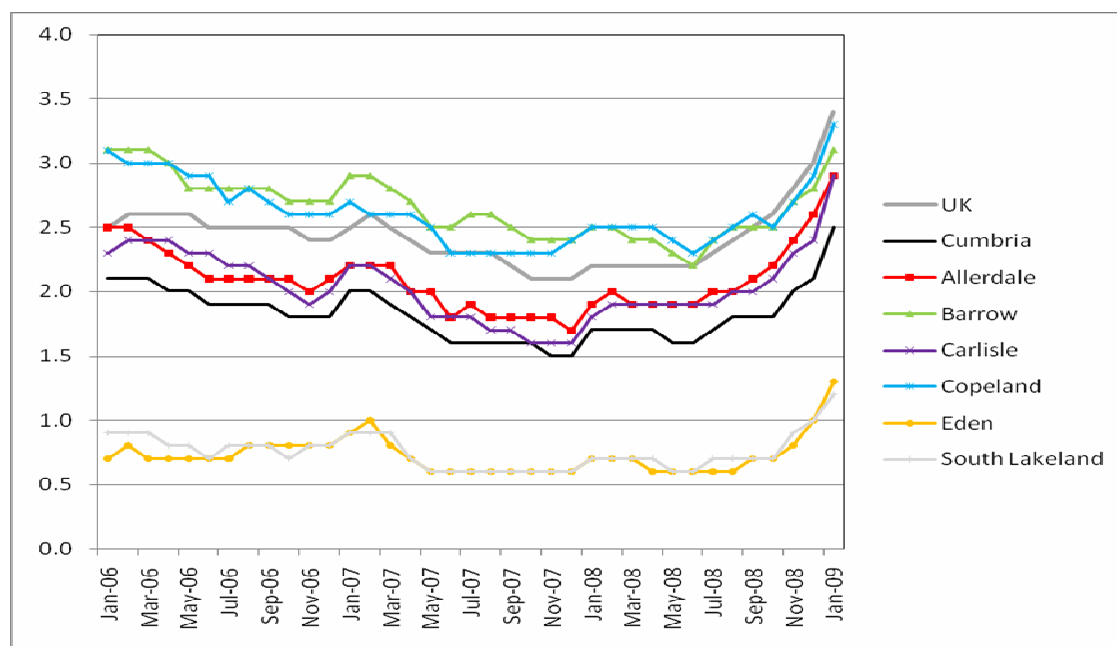
	Jan 08	Jul 08	Jan 09	6-Month Change Jul 08-Jan 09	Annual Change Jan 08-Jan 09
Allerdale	1.9	2.0	2.9	1.0	1.0
Barrow	2.5	2.4	3.1	0.8	0.6
Carlisle	1.8	1.9	2.9	0.9	1.1
Copeland	2.5	2.4	3.3	0.8	0.8
Eden	0.7	0.6	1.3	0.7	0.6
South Lakeland	0.7	0.7	1.2	0.6	0.6
Appleby TTWA	0.5	0.6	1.5	1.0	1.0
Barrow TTWA	2.3	2.1	2.8	0.7	0.6
Carlisle TTWA	1.8	1.9	2.9	0.9	1.1
Kendal TTWA	0.6	0.7	1.3	0.6	0.7
Keswick TTWA	0.7	0.2	1.4	1.2	0.7
Penrith TTWA	0.8	0.6	1.2	0.5	0.4
Whitehaven TTWA	2.6	2.5	3.4	0.8	0.8
Windermere TTWA	0.4	0.4	0.7	0.3	0.3
Workington TTWA	2.2	2.3	3.3	1.0	1.1
Cumbria	1.7	1.7	2.5	0.8	0.8
North West	2.6	2.7	3.9	1.2	1.3
UK	2.2	2.3	3.4	1.1	1.2

Source: Office for National Statistics via NOMIS

Despite the increase in unemployment rate locally, the rate has risen more quickly nationally which means the figures in all Cumbria's districts are now below the national rate (Barrow and Copeland were previously higher). At TTWA level, rates have risen in all areas but remain below the UK in all TTWAs except Whitehaven which is now the same as the UK (having previously been higher).

Figure 4.1 charts the unemployment rate over three years from Jan 2006 through to Jan 2009. This shows that the trend in the UK has been for unemployment rates to rise slightly more quickly than in Cumbria.

Figure 4.1: Claimant rate trends compared to UK Jan 2006-Jan 2009



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 slightly over the past 12 months in contrast to a slight fall nationally and there are now 485 people who have been claiming for more than a year. The rise is entirely accounted for by Carlisle where the number of LTU rose by 50% over the year.

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

	Jan 08	Jul 08	Jan 09	6-Month Change Jul 08-Jan 09		Annual Change Jan 08-Jan 09	
				No	%		
Allerdale	110	95	110	15	15.8	0	0.0
Barrow	130	100	120	20	20.0	-10	-7.7
Carlisle	70	65	105	40	61.5	35	50.0
Copeland	125	110	115	5	4.5	-10	-8.0
Eden	20	15	15	0	0.0	-5	-25.0
South Lakeland	20	20	20	0	0.0	0	0.0
Appleby TTWA	5	5	5	0	0.0	0	0.0
Barrow TTWA	145	115	135	20	17.4	-10	-6.9
Carlisle TTWA	75	70	115	45	64.3	40	53.3
Kendal TTWA	5	5	5	0	0.0	0	0.0
Keswick TTWA	0	0	5	5	100.0	5	100.0
Penrith TTWA	10	5	5	0	0.0	-5	-50.0
Whitehaven TTWA	115	105	110	5	4.8	-5	-4.3
Windermere TTWA	0	0	0	0	0.0	0	0.0
Workington TTWA	110	90	105	15	16.7	-5	-4.5
Cumbria	470	405	485	80	19.8	15	3.2
North West	14,495	13,290	14,250	960	7.2	-245	-1.7
United Kingdom	117,390	100,295	108,555	8,260	8.2	-8,835	-7.5

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

The proportion of the unemployed out of work for more than 12 months is a good indicator of labour market conditions in an area and despite the marked rise in unemployment over the period, the proportion who are long term unemployed has not yet followed. However, much of the rise in unemployment has come in the last 6 months and it is likely, given the current economic difficulties that those people will find it harder to find work and we will probably see the proportion of LTU rise over the next few months.

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

	Jan 08	Jul 08	Jan 09	6-Month Change Jul 08-Jan 09	Annual Change Jan 08-Jan 09
Allerdale	10.4	8.6	6.8	-1.8	-3.6
Barrow	11.8	10.0	8.9	-1.1	-2.9
Carlisle	6.0	5.2	5.8	0.6	-0.2
Copeland	11.5	10.3	8.1	-2.2	-3.4
Eden	8.1	9.1	3.4	-5.7	-4.7
South Lakeland	4.6	4.7	2.9	-1.8	-1.7
Appleby TTWA	15.9	12.8	3.2	-9.6	-12.7
Barrow TTWA	11.4	10.1	8.7	-1.4	-2.7
Carlisle TTWA	6.2	5.2	5.8	0.6	-0.4
Kendal TTWA	2.6	1.8	0.9	-0.9	-1.7
Keswick TTWA	0.0	8.3	3.7	-4.6	3.7
Penrith TTWA	5.8	5.6	2.7	-2.9	-3.1
Whitehaven TTWA	11.2	10.1	8.1	-2.0	-3.1
Windermere TTWA	0.0	0.0	1.2	1.2	1.2
Workington TTWA	11.2	9.0	7.1	-1.9	-4.1
Cumbria	9.4	8.1	6.6	-1.5	-2.8
North West	13.2	11.5	8.7	-2.8	-4.5
United Kingdom	14.2	11.6	8.5	-3.1	-5.7

Source: Office for National Statistics via NOMIS

Claimant Destinations

The destination of those leaving the register can be analysed to give an indication of

Table 4.5: Destination of Those Leaving the Register (number) Aug 08-Jan 09

	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland	Cumbria
	No	No	No	No	No	No	No
Found work	665	665	840	600	215	440	3,430
Increased work to 16+ hours/week	20	15	15	5	5	5	60
Gone abroad	55	45	80	60	25	50	315
Claimed Income Support	20	10	25	20	5	10	90
Claimed Incapacity Benefit	80	55	30	60	15	25	260
Claimed another benefit	10	30	80	15	5	20	160
Gone to full-time education	5	25	25	20	5	20	95
Gone onto approved training	0	0	5	5	0	0	10
Transfer to Govt-supported training	170	165	145	175	20	30	705
Retirement age reached	0	0	0	0	0	0	5
Automatic credits payable	0	0	0	0	0	0	0
Claimed back-to-work bonus	0	0	0	0	0	0	0
Gone to prison	20	25	50	10	5	10	120
Attending court	0	0	0	0	0	0	0
New claim review	25	5	10	5	5	5	65
Defective claim	20	25	40	15	10	25	130
Ceased claiming	20	35	65	30	10	50	210
Deceased	0	0	0	0	0	0	0
Not known	125	95	100	85	25	35	465
Failed to sign	455	420	675	400	140	315	2,405
Total	1,700	1,615	2,185	1,505	485	1,035	8,520

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

what is driving the change in the claimant count (Tables 4.5 and 4.6). In the last six months, 8,520 people left the register in Cumbria, the highest number (2,185) being in Carlisle and the lowest in Eden (485). The most common reason for leaving the register was because the individual had found work (3,430). A further 2,405 failed to sign and didn't give a reason and it is fair to assume that most of these had found employment. The number transferring onto Govt supporting training programmes was 705, and perhaps surprisingly, the number transferring onto incapacity benefit has fallen compared to the last 6 months.

The proportion of those moving off the register into employment over the past 6 months was 60.6% which is similar to the regional and national figures (Table 4.6). This proportion was higher in Eden and South Lakeland.

Table 4.6: Destination of Those Leaving the Register (proportion) Aug 08-Jan 09

	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland	Cumbria	North West	United Kingdom
	%	%	%	%	%	%	%	%	%
Found work	59.5	60.6	59.9	59.0	67.0	64.4	60.7	59.5	60.6
Increased work to 16+ hours/week	1.8	1.2	1.0	0.6	1.6	0.6	1.1	1.8	1.2
Gone abroad	5.0	4.0	5.8	5.8	7.5	7.2	5.5	5.0	4.0
Claimed Income Support	1.8	1.0	1.6	2.2	1.6	1.2	1.6	1.8	1.0
Claimed Incapacity Benefit	7.1	5.0	2.1	5.8	4.0	3.4	4.6	7.1	5.0
Claimed another benefit	1.0	2.6	5.6	1.6	1.6	2.9	2.8	1.0	2.6
Gone to full-time education	0.4	2.1	1.8	2.1	1.2	2.8	1.7	0.4	2.1
Gone onto approved training	0.1	0.2	0.2	0.3	0.3	0.1	0.2	0.1	0.2
Transfer to Govt-supported training	15.3	14.9	10.4	17.0	5.9	4.2	12.5	15.3	14.9
Retirement age reached	0.1	0.2	0.0	0.1	0.0	0.0	0.1	0.1	0.2
Automatic credits payable	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Claimed back-to-work bonus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gone to prison	2.0	2.2	3.4	1.1	1.6	1.3	2.1	2.0	2.2
Attending court	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New claim review	2.4	0.5	0.9	0.5	1.9	1.0	1.1	2.4	0.5
Defective claim	1.7	2.2	2.8	1.4	2.5	3.5	2.3	1.7	2.2
Ceased claiming	1.9	3.1	4.6	2.7	3.4	7.3	3.7	1.9	3.1
Deceased	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Claimant counts by ward across Cumbria

Table 4.7 shows claimant counts rates at ward level across Cumbria. At this degree of spatial disaggregation there is much more variability in the trends. The ward with the highest number of claimants in Cumbria is Central in Barrow with 248, followed by Botcherby and Castle in Carlisle both with 193. Seventy four of the 168 wards in Cumbria experienced a rise in claimants between Jan 2008 and Jan 2009 with Botcherby and Harraby showing the biggest numerical increases (94 and 70 respectively). Only seven wards experienced a fall in claimant numbers over the year, with a further 6 showing no change.

Table 4.7: Cumbrian ward level claimant counts and rates

ALLERDALE	Jan 08		Jul 08		Jan 09		6-Month Change Jul 08-Jan 09		Annual Change Jan 08-Jan 09	
	No	Rate	No	Rate	No	Rate	No	Rate	No	Rate
All Saints	37	1.3	41	1.5	57	2.0	16	0.6	20	0.7
Aspatia	47	2.4	45	2.3	65	3.3	20	1.0	18	0.9
Boltons	6	0.6	8	0.8	6	0.6	-2	-0.2	0	0.0
Broughton St Bridget's	29	1.1	24	0.9	43	1.6	19	0.7	14	0.5
Christchurch	28	1.5	25	1.4	33	1.8	8	0.4	5	0.3
Clifton	17	1.9	23	2.5	34	3.8	11	1.2	17	1.9
Crummock	9	1.0	4	0.4	14	1.5	10	1.1	5	0.5
Dalton	5	0.5	7	0.7	10	1.0	3	0.3	5	0.5
Derwent Valley	5	0.6	0	0.0	13	1.4	13	1.4	8	0.9
Ellen	27	1.4	32	1.7	50	2.6	18	0.9	23	1.2
Ellenborough	60	2.6	73	3.1	102	4.4	29	1.2	42	1.8
Ewanrigg	86	4.3	76	3.8	142	7.1	66	3.3	56	2.8
Flimby	24	2.4	30	3.0	45	4.5	15	1.5	21	2.1
Harrington	16	0.9	26	1.4	35	1.9	9	0.5	19	1.0
Holme	13	1.4	11	1.2	23	2.4	12	1.3	10	1.0
Keswick	22	0.7	6	0.2	48	1.5	42	1.3	26	0.8
Marsh	4	0.4	4	0.4	8	0.8	4	0.4	4	0.4
Moorclose	93	3.3	95	3.3	123	4.3	28	1.0	30	1.1
Moss Bay	145	5.6	148	5.7	157	6.0	9	0.3	12	0.5
Netherhall	54	2.8	68	3.6	84	4.4	16	0.8	30	1.6
St John's	52	1.6	53	1.7	90	2.8	37	1.2	38	1.2
St Michael's	108	3.4	111	3.5	148	4.6	37	1.2	40	1.2
Seaton	52	1.7	52	1.7	83	2.7	31	1.0	31	1.0
Silloth	25	1.4	25	1.4	49	2.8	24	1.3	24	1.3
Solway	14	1.4	9	0.9	26	2.6	17	1.7	12	1.2
Stainburn	9	0.8	9	0.8	15	1.4	6	0.5	6	0.5
Wampool	6	0.6	10	1.0	15	1.5	5	0.5	9	0.9
Warnell	#	#	4	0.4	9	0.8	5	0.5	#	0.7
Waver	5	0.5	10	0.9	12	1.1	2	0.2	7	0.6
Wharrels	7	0.7	7	0.7	11	1.2	4	0.4	4	0.4
Wigton	52	1.6	62	1.9	92	2.8	30	0.9	40	1.2

BARROW	Jan 08		Jul 08		Jan 09		6-Month Change Jul 08-Jan 09		Annual Change Jan 08-Jan 09	
	No	Rate	No	Rate	No	No	Rate	No	Rate	No
	Barrow Island	92	5.5	103	6.1	131	7.8	28	1.7	39
Central	212	6.3	194	5.7	248	7.3	54	1.6	36	1.1
Dalton North	65	1.6	46	1.1	71	1.7	25	0.6	6	0.1
Dalton South	59	1.6	53	1.4	79	2.1	26	0.7	20	0.5
Hawcoat	22	0.8	20	0.7	28	1.0	8	0.3	6	0.2
Hindpool	154	4.7	130	4.0	156	4.8	26	0.8	2	0.1
Newbarns	62	1.8	57	1.7	86	2.5	29	0.8	24	0.7
Ormsgill	131	3.5	133	3.6	166	4.4	33	0.9	35	0.9
Parkside	43	1.2	35	1.0	67	1.9	32	0.9	24	0.7
Risedale	116	3.4	107	3.1	126	3.7	19	0.6	10	0.3
Roosecote	40	1.1	41	1.1	55	1.5	14	0.4	15	0.4
Walney North	50	1.6	50	1.6	73	2.3	23	0.7	23	0.7
Walney South	56	1.6	56	1.6	66	1.9	10	0.3	10	0.3

CARLISLE	Jan 08		Jul 08		Jan 09		6-Month Change Jul 08-Jan 09		Annual Change Jan 08-Jan 09	
	No	Rate	No	Rate	No	No	Rate	No	Rate	No
	Belah	56	1.6	47	1.3	58	1.6	11	0.3	2
Belle Vue	83	2.4	101	3.0	120	3.5	19	0.6	37	1.1
Botcherby	99	2.8	106	3.0	193	5.4	87	2.4	94	2.6
Brampton	55	2.2	58	2.3	81	3.2	23	0.9	26	1.0
Burgh	15	1.2	11	0.9	14	1.1	3	0.2	-1	-0.1
Castle	132	3.2	140	3.4	193	4.7	53	1.3	61	1.5
Currock	88	2.3	102	2.7	150	3.9	48	1.3	62	1.6
Dalston	20	0.6	19	0.5	53	1.5	34	0.9	33	0.9
Denton Holme	84	2.1	97	2.5	154	3.9	57	1.5	70	1.8
Great Corby & Geltsdale	12	0.9	3	0.2	13	1.0	10	0.8	1	0.1
Harraby	66	1.9	84	2.4	94	2.7	10	0.3	28	0.8
Hayton	14	1.2	11	0.9	11	0.9	0	0.0	-3	-0.3
Irthing	5	0.4	14	1.1	17	1.4	3	0.2	12	1.0
Longtown & Rockcliffe	29	1.1	41	1.6	67	2.6	26	1.0	38	1.5
Lyne	6	0.5	5	0.4	10	0.8	5	0.4	4	0.3
Morton	76	2.5	88	2.9	115	3.8	27	0.9	39	1.3
St Aidans	99	2.5	82	2.1	128	3.3	46	1.2	29	0.7
Stanwix Rural	15	0.6	22	0.9	31	1.2	9	0.4	16	0.6
Stanwix Urban	20	0.6	33	1.0	54	1.6	21	0.6	34	1.0
Upperby	117	3.8	113	3.6	170	5.5	57	1.8	53	1.7
Wetheral	16	0.6	10	0.4	32	1.2	22	0.8	16	0.6
Yewdale	36	1.0	38	1.0	68	1.8	30	0.8	32	0.9

COPELAND	Jan 08		Jul 08		Jan 09		6-Month Change Jul 08-Jan 09		Annual Change Jan 08-Jan 09	
	No	Rate	No	Rate	No	No	Rate	No	Rate	No
	Arlecdon	16	1.5	15	1.4	23	2.2	8	0.8	7
Beckermet	29	1.7	34	2.0	27	1.6	-7	-0.4	-2	-0.1
Bootle	4	0.5	9	1.2	14	1.9	5	0.7	10	1.3
Bransty	47	1.4	54	1.7	50	1.5	-4	-0.1	3	0.1
Cleator Moor North	79	3.0	85	3.3	118	4.5	33	1.3	39	1.5
Cleator Moor South	66	4.1	57	3.5	96	5.9	39	2.4	30	1.8
Distington	79	3.2	73	3.0	105	4.3	32	1.3	26	1.1
Egremont North	87	3.3	77	2.9	121	4.5	44	1.7	34	1.3
Egremont South	53	2.4	67	3.0	68	3.1	1	0.0	15	0.7
Ennerdale	8	1.2	7	1.0	8	1.2	1	0.1	0	0.0
Frizington	56	3.5	56	3.5	79	4.9	23	1.4	23	1.4
Gosforth	4	0.5	5	0.6	8	0.9	3	0.4	4	0.5
Harbour	95	4.0	83	3.5	107	4.5	24	1.0	12	0.5
Haverigg	11	0.8	8	0.6	13	1.0	5	0.4	2	0.2
Hensingham	55	2.2	57	2.2	79	3.1	22	0.9	24	0.9
Hillcrest	10	0.6	16	0.9	23	1.4	7	0.4	13	0.8
Holborn Hill	42	2.8	36	2.4	47	3.1	11	0.7	5	0.3
Kells	40	2.8	34	2.4	46	3.2	12	0.8	6	0.4
Millom Without	4	0.4	4	0.4	9	1.0	5	0.6	5	0.6
Mirehouse	107	3.9	107	3.9	139	5.1	32	1.2	32	1.2
Moresby	18	2.3	18	2.3	23	2.9	5	0.6	5	0.6
Newtown	66	3.2	52	2.5	75	3.6	23	1.1	9	0.4
St Bees	7	0.7	12	1.1	14	1.3	2	0.2	7	0.7
Sandwith	90	5.3	77	4.5	104	6.1	27	1.6	14	0.8
Seascale	17	1.0	14	0.9	26	1.6	12	0.7	9	0.6

EDEN	Jan 08		Jul 08		Jan 09		6-Month Change Jul 08-Jan 09		Annual Change Jan 08-Jan 09	
	No	Rate	No	Rate	No	No	Rate	No	Rate	No
Alston Moor	17	1.3	14	1.1	29	2.3	15	1.2	12	0.9
Appleby (Appleby)	6	0.9	7	1.1	16	2.5	9	1.4	10	1.5
Appleby (Bongate)	5	0.5	3	0.3	20	2.1	17	1.8	15	1.6
Askham	3	0.3	#	#	7	0.8	#	0.7	4	0.4
Brough	4	0.5	7	0.9	13	1.7	6	0.8	9	1.2
Crosby Ravensworth	4	0.4	4	0.4	10	1.1	6	0.7	6	0.7
Dacre	3	0.4	#	#	4	0.5	#	0.4	1	0.1
Eamont	7	0.9	4	0.5	7	0.9	3	0.4	0	0.0
Greystoke	5	0.6	#	#	8	1.0	#	0.9	3	0.4
Hartside	4	0.6	0	0.0	8	1.2	8	1.2	4	0.6
Hesket	8	0.4	6	0.3	15	0.8	9	0.5	7	0.4
Kirkby Stephen	9	0.6	13	0.9	21	1.5	8	0.6	12	0.8
Kirkby Thore	10	1.1	8	0.9	14	1.5	6	0.7	4	0.4
Kirkoswald	#	#	3	0.3	4	0.4	1	0.1	#	0.2
Langwathby	#	#	#	#	4	0.4	#	0.3	#	0.2
Lazonby	9	1.0	#	#	6	0.7	#	0.5	-3	-0.3
Long Marton	0	0.0	0	0.0	10	1.4	10	1.4	10	1.4
Morland	4	0.5	3	0.4	3	0.4	0	0.0	-1	-0.1
Orton with Tebay	3	0.3	#	#	8	0.8	#	0.7	5	0.5
Penrith Carleton	#	#	6	0.7	10	1.1	4	0.4	#	0.9
Penrith East	21	1.4	17	1.1	25	1.6	8	0.5	4	0.3
Penrith North	23	1.0	29	1.2	35	1.5	6	0.2	12	0.5
Penrith Pategill	10	1.3	8	1.1	20	2.7	12	1.6	10	1.3
Penrith South	13	1.0	10	0.8	17	1.3	7	0.5	4	0.3
Penrith West	24	1.2	19	0.9	42	2.1	23	1.1	18	0.9
Ravenstonedale	#	#	#	#	5	0.9	#	0.5	#	0.5
Shap	7	0.8	4	0.4	10	1.1	6	0.7	3	0.3
Skelton	5	0.5	#	#	#	#	#	0.0	#	-0.3
Ullswater	5	0.6	5	0.6	5	0.6	0	0.0	0	0.0
Warcop	4	0.5	6	0.7	12	1.5	6	0.7	8	1.0

SOUTH LAKELAND	Jan 08		Jul 08		Jan 09		6-Month Change Jul 08-Jan 09		Annual Change Jan 08-Jan 09	
	No	Rate	No	Rate	No	No	Rate	No	Rate	No
	Arnside & Beetham	14	0.7	5	0.2	15	0.7	10	0.5	1
Broughton	4	0.3	12	0.9	18	1.4	6	0.5	14	1.1
Burneside	3	0.3	9	0.8	15	1.3	6	0.5	12	1.0
Burton & Holme	6	0.3	6	0.3	16	0.9	10	0.6	10	0.6
Cartmel	3	0.3	4	0.4	6	0.6	2	0.2	3	0.3
Coniston	8	0.7	5	0.4	7	0.6	2	0.2	-1	-0.1
Crake Valley	6	0.5	6	0.5	8	0.7	2	0.2	2	0.2
Crooklands	6	0.4	11	0.8	13	0.9	2	0.1	7	0.5
Grange	7	0.4	11	0.6	17	0.9	6	0.3	10	0.5
Hawkshead	4	0.4	5	0.5	4	0.4	-1	-0.1	0	0.0
Holker	6	0.6	5	0.5	12	1.2	7	0.7	6	0.6
Kendal Castle	8	0.7	9	0.8	10	0.9	1	0.1	2	0.2
Kendal Far Cross	14	1.1	13	1.0	25	1.9	12	0.9	11	0.8
Kendal Fell	7	0.6	17	1.5	31	2.8	14	1.3	24	2.2
Kendal Glebelands	3	0.3	9	0.8	16	1.4	7	0.6	13	1.2
Kendal Heron Hill	4	0.3	8	0.7	10	0.8	2	0.2	6	0.5
Kendal Highgate	11	1.1	17	1.6	19	1.8	2	0.2	8	0.8
Kendal Kirkland	24	2.0	19	1.6	39	3.3	20	1.7	15	1.3
Kendal Mintsfeet	8	0.6	10	0.7	17	1.3	7	0.5	9	0.7
Kendal Nether	5	0.5	3	0.3	10	1.0	7	0.7	5	0.5
Kendal Oxenholme	15	1.0	11	0.8	27	1.8	16	1.1	12	0.8
Kendal Parks	#	#	4	0.3	12	0.8	8	0.6	#	0.7
Kendal Stonecross	3	0.3	4	0.4	8	0.8	4	0.4	5	0.5
Kendal Strickland	7	0.6	9	0.8	22	1.9	13	1.1	15	1.3
Kendal Underley	10	0.8	12	0.9	24	1.9	12	0.9	14	1.1
Kirkby Lonsdale	#	#	3	0.2	14	1.1	11	0.9	#	0.9
Lakes Ambleside	9	0.4	7	0.3	14	0.6	7	0.3	5	0.2
Lakes Grasmere	#	#	#	#	3	0.3	#	0.1	#	0.2
Levens	#	#	#	#	6	0.7	#	0.5	#	0.5
Low Furness & Swarthmoor	18	0.7	13	0.5	36	1.5	23	0.9	18	0.7
Lyth Valley	5	0.4	9	0.7	10	0.8	1	0.1	5	0.4
Milnthorpe	14	1.2	5	0.4	22	1.8	17	1.4	8	0.7
Natland	4	0.4	7	0.6	10	0.9	3	0.3	6	0.6
Sedbergh	4	0.2	5	0.2	12	0.5	7	0.3	8	0.4
Staveley-in-Cartmel	#	#	4	0.4	4	0.4	0	0.0	#	0.2
Staveley-in-Westmorland	5	0.4	3	0.3	10	0.9	7	0.6	5	0.4
Ulverston Central	31	2.9	15	1.4	27	2.5	12	1.1	-4	-0.4
Ulverston East	30	2.3	30	2.3	41	3.1	11	0.8	11	0.8
Ulverston North	16	1.4	12	1.1	20	1.8	8	0.7	4	0.4
Ulverston South	13	1.3	13	1.3	13	1.3	0	0.0	0	0.0
Ulverston Town	21	2.0	20	1.9	31	2.9	11	1.0	10	0.9
Ulverston West	4	0.4	8	0.8	13	1.2	5	0.5	9	0.9
Whinfell	5	0.4	#	#	9	0.6	#	0.5	4	0.3
Windermere App'waite	4	0.3	10	0.8	14	1.1	4	0.3	10	0.8
Windermere Bowness N	7	0.6	5	0.4	9	0.8	4	0.4	2	0.2
Windermere Bowness S	7	0.6	#	#	9	0.8	#	0.6	2	0.2
Windermere Town	3	0.2	3	0.2	9	0.6	6	0.4	6	0.4

figures suppressed for disclosure purposes

Source: Office for National Statistics via NOMIS

SECTION 5 NOTIFIED VACANCIES DATA

The statistics given in this section comprise only job vacancies that have been notified to Jobcentre Plus and it should be noted that not all job opportunities are publicised in this way. Furthermore, when comparing monthly figures, it should be noted that some periods cover 4 weeks and others 5 weeks.

Table 5.1 shows the trend in total notified vacancies. It can be seen that the number of vacancies notified in all parts of Cumbria was highest in the autumn before falling sharply in over Christmas/New Year with the decline particularly pronounced in Carlisle. Over the full 6 months, Carlisle district accounted for the highest number of vacancies (3,047), followed by South Lakeland (2,704). Copeland recorded the lowest number vacancies (1,359). There were 1,351 fewer vacancies notified than in the previous 6 months.

Table 5.1: Total notified vacancy numbers

	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	6 mth Total
Allerdale	389	252	309	390	205	118	1,663
Barrow in Furness	398	349	431	274	186	69	1,707
Carlisle	678	547	575	584	479	184	3,047
Copeland	197	129	377	230	293	133	1,359
Eden	294	390	289	349	218	227	1,767
South Lakeland	571	652	416	571	296	198	2,704
Appleby TTWA	19	32	21	24	12	5	113
Barrow-in-Furness TTWA	451	400	480	312	220	97	1,960
Carlisle TTWA	706	581	595	616	491	196	3,185
Kendal TTWA	335	392	226	366	183	133	1,635
Keswick TTWA	55	64	45	46	13	10	233
Penrith TTWA	273	348	259	321	206	222	1,629
Whitehaven TTWA	196	126	375	228	289	131	1,345
Windermere TTWA	180	208	131	161	79	31	790
Workington TTWA	307	162	255	317	184	98	1,323
Cumbria	2,527	2,319	2,397	2,398	1,677	929	12,247

Source: Office for National Statistics via NOMIS

Table 5.2: Notified vacancy numbers by Broad Industrial Group

Broad Industrial Group	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	6 mth Total
Agriculture & fishing	8	8	6	3	1	3	29
Energy & water	74	52	36	23	31	6	222
Manufacturing	85	102	52	51	27	13	330
Construction	18	43	63	62	63	109	358
Retail, hotels & restaurants, etc	683	644	649	751	330	259	3,316
Transport & communications	82	62	122	86	69	15	436
Banking, finance, business services	1,096	1,198	1,066	991	888	379	5,618
Public admin, education & health, etc	415	164	290	363	208	127	1,567
Other services	66	46	113	68	60	18	371
TOTALS	2,527	2,319	2,397	2,398	1,677	929	12,247

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 finance/business services and retail/hospitality sectors typically.

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

Table 5.3: Trends in notified vacancy numbers by Occupation

Occupation classification	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	6 mth Total
Managers & Senior Officials	104	82	106	97	66	25	480
Professional	33	54	32	44	164	14	341
Associate Professional & Technical	250	202	166	186	191	70	1,065
Administrative & Secretarial	202	189	291	292	188	139	1,301
Skilled Trades	411	399	308	265	150	67	1,600
Personal Service	329	123	172	221	139	74	1,058
Sales & Customer Service	294	244	323	467	225	224	1,777
Process, Plant & Machine Operatives	205	265	202	136	89	31	928
Elementary Occupations	699	761	797	690	465	285	3,697
TOTALS	2,527	2,319	2,397	2,398	1,677	929	12,247

Source: Office for National Statistics via NOMIS

Vacancy data may also be examined in conjunction with data on claimant counts to calculate a 'claimant to vacancy ratio' (table 5.4). Although this has limitations, it does highlight areas that appear to have tighter labour markets than others. A claimant/vacancy figure of more than 1 means that there are more claimants than live vacancies.

In Jan 2009 several areas had ratios of more than 10. Barrow had the highest district ratio at 10.6 claimants per vacancy and Appleby had the highest TTWA ratio at 31.3. Overall in Cumbria there were 5.5 claimants for each live vacancy which is below the UK figure of 6.4.

Table 5.4: Claimant Count / Vacancy ratio Jan 2009

	Claimant count	Live vacancies	Claimant/vacancy ratio
Allerdale	1,642	164	10.0
Barrow	1,352	127	10.6
Carlisle	1,826	360	5.1
Copeland	1,422	174	8.2
Eden	390	243	1.6
South Lakeland	737	267	2.8
Appleby TTWA	125	4	31.3
Barrow-in-Furness TTWA	1,566	153	10.2
Carlisle TTWA	1,975	375	5.3
Kendal TTWA	429	201	2.1
Keswick TTWA	82	15	5.5
Penrith TTWA	228	237	1.0
Whitehaven TTWA	1,372	172	8.0
Windermere TTWA	80	36	2.2
Workington TTWA	1,469	138	10.6
Cumbria	7,369	1,335	5.5
North West	164,996	19,018	8.7
UK	1,243,064	193,792	6.4

SECTION 6

GROSS VALUE ADDED IN CUMBRIA – DATA TO 2006

Background

The latest Gross Value Added (GVA) data have been released by the Office for National Statistics earlier this month. The data for Cumbria covers the period to the end of 2006 and therefore does not include the period of economic instability experienced through 2008.

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

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

Key Findings

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

- Over the long term Cumbria remains the slowest growing (1995-2006) of the 37 county-type areas in the UK, with an overall growth rate of 41.2% compared to 66.0% in the Northwest region and 80.0% for the UK as a whole.
- The growth rate for the county since 2000 is 31.4% (NW = 32.6%, UK = 36.2%).
- Since 2005 Cumbria has grown at around the same rate as the region (5.0% vs. 5.2% respectively) and a little slower than the UK (5.6%). Cheshire is fastest growing part of NW at 6.5%
- GVA per head of population in the County now stands at £14,044 compared with £16,482 in the NW and £19,430 in the UK (74% of the UK average – the same index as we have seen every year since 2001)
- There is significant disparity between West (Allerdale, Copeland, Barrow) and East (Carlisle, Eden, South Lakeland) Cumbria
- Overall East Cumbria has grown by 51.8% since 1995 compared with 29.0% in West Cumbria. West Cumbria's growth rate since 1995 is the slowest of any of the 133 sub-county areas in the UK.
- Since 2000 the growth rate for East Cumbria is 38.8% compared with 22.5% in West Cumbria.
- Over the latest year (2005-2006) East Cumbria's growth rate stands at 5.5% (joint fastest in NW with Halton and Warrington) while West Cumbria's is 4.4%.
- GVA per head of population in East Cumbria now stands at £15,450 (82% of the UK average) while for West Cumbria it is £12,498 (66% of the UK average).

Summary

Over the long term the County's economic productivity is improving, but very slowly. Within the County East Cumbria is growing faster than West Cumbria. More recently, however, we have seen an economic recovery to the extent that since 2001 the productivity per head in Cumbria has grown at the same rate as the UK as a whole. Again, though, there are significant variations between East and West.

More details can also be found here: <http://www.statistics.gov.uk/pdfdir/gva1208.pdf>

SECTION 7 EMPLOYMENT AND BUSINESS DEMOGRAPHICS

Background

The 2007 Annual Business Inquiry data were released by ONS in December 2008. This is a business survey which measures employees in employment but does not include any self employment.

ABI figures are estimates which are subject to both sampling and non-sampling errors. In addition there are discontinuities which affect comparisons of the 2006 ABI employment estimates with earlier years. In particular a change in reference date from December to September, use of Business Register Survey data, a change to the minimum domain methodology and the use of SIC 2003 for data from 2003 onwards. Furthermore, we continue to advise against using 2005 ABI data in any analysis due to concerns about its reliability for Cumbria.

Recent Key Findings Cumbria & Districts – 2006-2007

- Total employees in employment in Cumbria in 2007 were 217,631. The largest sector in terms of employees in 2007 was wholesale/retail with 38,862 (17.9% of the total, closely followed by manufacturing (37,728; 17.3%). (see table 7.1)

Table 7.1: Total Employees in Employment 2007, Cumbria and Districts

	Cumbria	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland
Agriculture	3,546	674	29	578	454	967	844
Fishing	40	7	6	0	3	21	3
Mining, quarrying	1,023	91	239	29	49	330	284
Manufacturing	37,728	6,482	6,025	6,774	10,912	2,404	5,132
Gas, water, electricity	1,326	311	268	263	22	112	350
Construction	11,660	2,345	1,040	2,747	1,145	1,983	2,400
Wholesale, retail	38,862	6,602	4,599	11,194	3,281	3,632	9,554
Hotels, restaurants	23,469	3,933	1,553	3,988	1,926	4,275	7,795
Transport, communication	10,848	1,265	1,317	4,337	760	1,416	1,754
Financial intermediation	2,596	299	346	938	170	232	610
Business activities	23,560	3,425	2,741	6,655	3,429	2,134	5,175
Public sector	9,474	1,935	1,002	2,657	1,033	1,450	1,395
Education	17,581	2,750	2,339	3,937	1,961	1,911	4,683
Health and social work	26,295	3,405	4,530	8,005	3,836	2,224	4,295
Other services	9,623	1,588	1,074	2,340	978	896	2,747
Total	217,631	35,110	27,108	54,441	29,960	23,988	47,022

Source: ONS Annual Business Enquiry

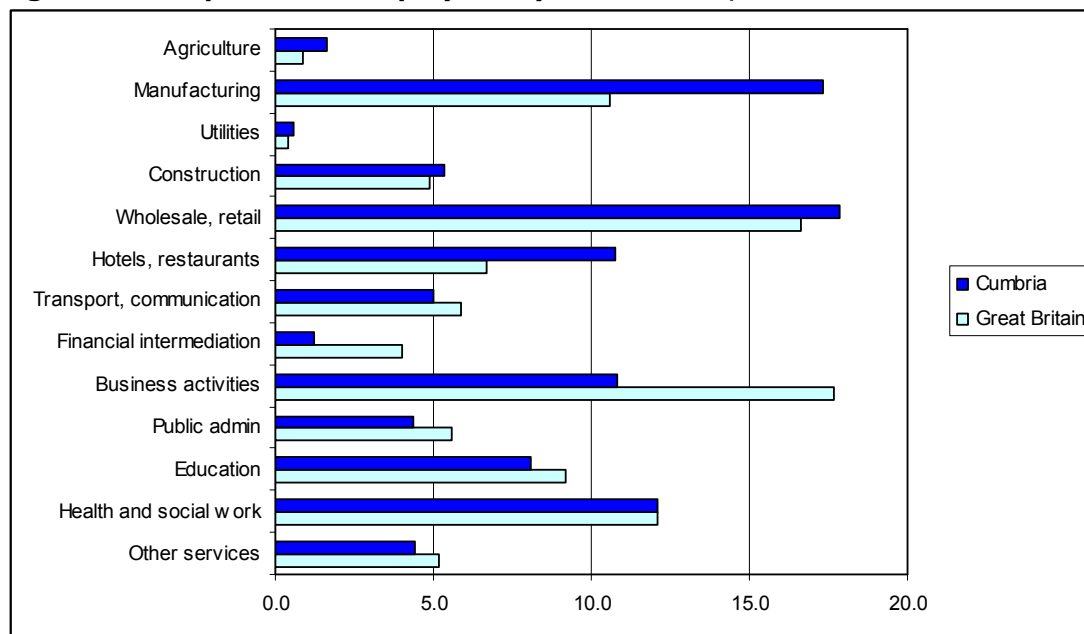
- The sector showing the biggest numerical growth was manufacturing (+1,900), followed by public admin (+573). Those showing the biggest decline were hotels/restaurants (-1,252) and construction (-991). (see table 7.3)
- Most of the county manufacturing growth came in Copeland (+1,272) and Carlisle (+487) and the public admin growth occurred mostly in Allerdale (+413) and Carlisle (+245). (see table 7.3)
- The hotel and restaurant sector in South Lakeland declined by 405 and retail by 340 in the same area. Hotel and restaurant employment also fell sharply in Eden (-330) and Allerdale (-364). (see table 7.3)
- The construction sector declined in Allerdale (-242), Carlisle (-312) and Copeland (-218) whilst other community services declined by 436 in Carlisle. (see table 7.3)

Table 7.2: Proportion of Employees by Sector 2007, Cumbria and District

	Great Britain	North West	Cumbria	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland
Agriculture	0.9	0.5	1.6	1.9	0.1	1.1	1.5	4.0	1.8
Fishing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Mining, quarrying	0.2	0.1	0.5	0.3	0.9	0.1	0.2	1.4	0.6
Manufacturing	10.6	12.4	17.3	18.5	22.2	12.4	36.4	10.0	10.9
Gas, water, electricity	0.4	0.3	0.6	0.9	1.0	0.5	0.1	0.5	0.7
Construction	4.9	5.1	5.4	6.7	3.8	5.0	3.8	8.3	5.1
Wholesale, retail	16.6	17.0	17.9	18.8	17.0	20.6	11.0	15.1	20.3
Hotels, restaurants	6.7	6.8	10.8	11.2	5.7	7.3	6.4	17.8	16.6
Transport, communication	5.9	5.6	5.0	3.6	4.9	8.0	2.5	5.9	3.7
Financial intermediation	4.0	3.4	1.2	0.9	1.3	1.7	0.6	1.0	1.3
Business activities	17.7	16.0	10.8	9.8	10.1	12.2	11.4	8.9	11.0
Public sector	5.6	5.9	4.4	5.5	3.7	4.9	3.4	6.0	3.0
Education	9.2	9.5	8.1	7.8	8.6	7.2	6.5	8.0	10.0
Health and social work	12.1	12.8	12.1	9.7	16.7	14.7	12.8	9.3	9.1
Other services	5.2	4.6	4.4	4.5	4.0	4.3	3.3	3.7	5.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: ONS Annual Business Inquiry 2007

Figure 7.1: Proportion of Employees by Sector 2007, Cumbria v GB



Source: ONS Annual Business Inquiry 2007

Table 7.3: Change in Employment 2006-2007, Cumbria and Districts

	Cumbria	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland
Agriculture	53	5	-13	33	2	-48	74
Fishing	-25	0	-2	-1	-4	-16	-2
Mining, quarrying	396	3	161	9	-3	214	11
Manufacturing	1,900	158	-124	487	1,272	33	74
Gas, water, electricity	440	114	55	82	14	54	123
Construction	-991	-242	-16	-312	-218	-110	-93
Wholesale, retail	-426	105	-31	-288	169	-42	-340
Hotels, restaurants	-1,252	-364	-267	221	-108	-330	-405
Transport, communication	-242	-53	192	-33	-80	-103	-164
Financial intermediation	69	-42	-14	81	-4	18	29
Business activities	-27	-136	119	466	-474	-149	147
Public sector	573	413	-75	245	49	-75	13
Education	281	163	6	0	43	9	60
Health and social work	239	15	-95	527	-69	86	-226
Other services	-781	-114	-45	-436	61	-89	-158
Total	207	23	-149	1,081	651	-545	-855

Source: ONS Annual Business Inquiry 2007

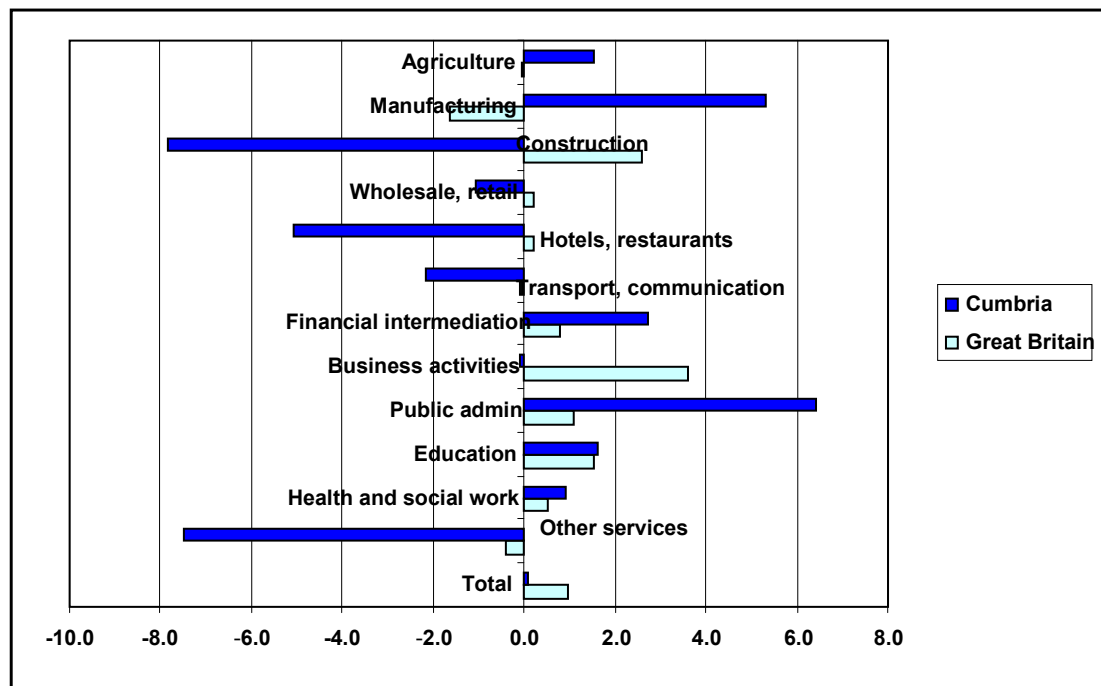
- Over the short term (2006-2007), employment remained stable (up by 0.1%; 207 employees). This compares with a rise of 0.8% in the North West and growth of 0.9% nationally. (see table 7.3 and table 7.4)
- Total employment grew in Allerdale (+23; +0.1%), Carlisle (1,081; +2%) and Copeland (+651; +2.2%) but fell in Barrow (-149; -0.5%), Eden (- 545; -2.2%) and South Lakeland (- 855; -1.8%) (see table 7.3 and table 7.4)

Table 7.4: Percentage Change in Employment 2006-2007, Cumbria and Districts

	Great Britain	North West	Cumbria	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland
Agriculture	-0.1	0.1	1.5	0.7	-31.0	6.1	0.4	-4.7	9.6
Fishing	10.1	-60.8	-38.5	0.0	-25.0	-100.0	-57.1	-43.2	-40.0
Mining, quarrying	1.3	18.5	63.2	3.4	206.4	45.0	-5.8	184.5	4.0
Manufacturing	-1.7	-0.2	5.3	2.5	-2.0	7.7	13.2	1.4	1.5
Gas, water, electricity	14.9	25.5	49.7	57.9	25.8	45.3	175.0	93.1	54.2
Construction	2.6	2.7	-7.8	-9.4	-1.5	-10.2	-16.0	-5.3	-3.7
Wholesale, retail	0.2	1.2	-1.1	1.6	-0.7	-2.5	5.4	-1.1	-3.4
Hotels, restaurants	0.2	-2.1	-5.1	-8.5	-14.7	5.9	-5.3	-7.2	-4.9
Transport, communication	-0.1	-4.9	-2.2	-4.0	17.1	-0.8	-9.5	-6.8	-8.6
Financial intermediation	0.8	-4.1	2.7	-12.3	-3.9	9.5	-2.3	8.4	5.0
Business activities	3.6	3.5	-0.1	-3.8	4.5	7.5	-12.1	-6.5	2.9
Public sector	1.1	2.1	6.4	27.1	-7.0	10.2	5.0	-4.9	0.9
Education	1.5	2.2	1.6	6.3	0.3	0.0	2.2	0.5	1.3
Health and social work	0.5	1.5	0.9	0.4	-2.1	7.0	-1.8	4.0	-5.0
Other services	-0.4	-1.9	-7.5	-6.7	-4.0	-15.7	6.7	-9.0	-5.4
Total	0.9	0.8	0.1	0.1	-0.5	2.0	2.2	-2.2	-1.8

Source: ONS Annual Business Inquiry 2007

Figure 7.2: Percentage Change in Employment by Sector 2006-2007, Cumbria v GB



Source: ONS Annual Business Inquiry 2007

- Sectors with the biggest percentage growth were mining/quarrying and utilities but from a very small base. Public admin employment grew by 6.4% and manufacturing by 5.3%. Those with the biggest percentage fall were construction (-7.8%) and other community services (-7.5%). (see table 7.4)
- Male employment fell by 0.7% in Cumbria, compared to a 1.4% growth in the North West and 1.6% nationally. Female jobs grew by 1% compared with growth of 0.3% regionally and 0.1% nationally.
- Full time employment fell by 0.4% in Cumbria, compared to growth of 1.2% regionally and 1.1% nationally. Part time employment rose by 1.0% in Cumbria compared to a fall of 0.2% regionally and growth of 0.6% nationally.

Longer-term Key Findings Cumbria & Districts – 2000-2007

- All districts have shown growth over the longer term with Barrow (+4,826; +21.7%) and Eden (+4,141; +20.9%) showing the largest percentage increases. Carlisle had the highest numerical increase at 8,170 (+17.7%). Growth was slowest in Copeland (+12.3%) but this is still more than double the national average. (see table 7.5 and table 7.6)
- Long term growth has been particularly strong in business activities which has gained 9,158 employees (+63.6%) and in construction (+2,960; +34) and hotels/restaurants (6,369; +37.2%), although, as shown above the latter two sectors have suffered more recent falls. (see table 5 and table 6)
- Manufacturing (-2,064; -5.2%) and financial intermediation (-1,310; -33.5%) are the only two sectors to show major fall in employment between 2000 and 2007. (see table 7.5 and table 7.6)

Table 7.5: Change in Employment 2000-2007, Cumbria and Districts

	Cumbria	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland
Agriculture	-18	22	-5	-21	63	-23	-54
Fishing	-31	-3	-4	-6	-21	2	2
Mining, quarrying	460	17	185	-105	4	164	193
Manufacturing	-2,064	-895	-226	-1,492	1,405	-222	-634
Gas, water, electricity	526	167	182	139	-50	-44	132
Construction	2,960	662	365	639	-214	719	789
Wholesale, retail	2,923	814	389	1,409	57	-178	432
Hotels, restaurants	6,369	852	146	1,134	446	1,920	1,871
Transport, communication	1,243	-29	418	733	108	70	-55
Financial intermediation	-1,310	-130	-22	-379	-169	-24	-587
Business activities	9,158	1,210	1,728	2,729	881	780	1,829
Public sector	538	456	50	-314	-75	506	-86
Education	2,636	250	183	906	106	360	830
Health and social work	5,372	277	1,218	2,277	407	519	674
Other services	2,041	409	219	521	342	-409	958
Total	30,803	4,077	4,826	8,170	3,290	4,141	6,294

Source: ONS Annual Business Inquiry

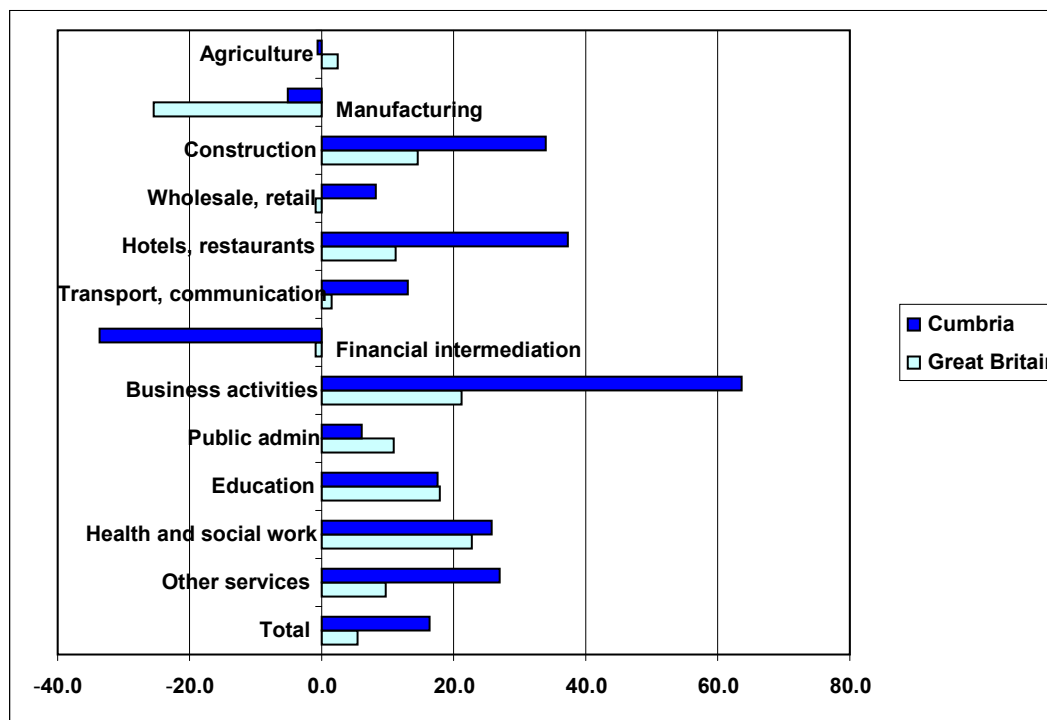
- Total employment in Cumbria grew by 16.5% between 2000 and 2007 which is significantly faster than the regional (+7.2%) or national (+5.5%) growth rates. This equates to 30,803 more employees in employment in 2007 than 2000. (see table 6)

Table 7.6: Percentage Change in Employment 2000-2007, Cumbria and Districts

	Great Britain	North West	Cumbria	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland
Agriculture	2.5	-2.6	-0.5	3.4	-14.7	-3.5	16.1	-2.3	-6.0
Fishing	-16.1	-43.7	-43.7	-30.0	-40.0	-100.0	-87.5	10.5	200.0
Mining, quarrying	-19.7	-26.1	81.7	23.0	342.6	-78.4	8.9	98.8	212.1
Manufacturing	-25.4	-24.5	-5.2	-12.1	-3.6	-18.0	14.8	-8.5	-11.0
Gas, water, electricity	-11.3	-33.3	65.8	116.0	211.6	112.1	-69.4	-28.2	60.6
Construction	14.5	15.9	34.0	39.3	54.1	30.3	-15.7	56.9	49.0
Wholesale, retail	-1.0	-0.9	8.1	14.1	9.2	14.4	1.8	-4.7	4.7
Hotels, restaurants	11.2	16.8	37.2	27.7	10.4	39.7	30.1	81.5	31.6
Transport, communication	1.5	4.4	12.9	-2.2	46.5	20.3	16.6	5.2	-3.0
Financial intermediation	-0.8	10.5	-33.5	-30.3	-6.0	-28.8	-49.9	-9.4	-49.0
Business activities	21.1	37.5	63.6	54.6	170.6	69.5	34.6	57.6	54.7
Public sector	10.9	10.6	6.0	30.8	5.3	-10.6	-6.8	53.6	-5.8
Education	17.9	16.1	17.6	10.0	8.5	29.9	5.7	23.2	21.5
Health and social work	22.6	21.5	25.7	8.9	36.8	39.8	11.9	30.4	18.6
Other services	9.7	7.9	26.9	34.7	25.6	28.6	53.8	-31.3	53.5
Total	5.5	7.2	16.5	13.1	21.7	17.7	12.3	20.9	15.5

Source: ONS Annual Business Inquiry 2007

Figure 7.3: Percentage Change in Employment by Sector 2000-2007, Cumbria v GB



Source: ONS Annual Business Inquiry 2007

The Inter-Department Business Register (IDBR)

As well as the Annual Business Inquiry the ONS produces the Inter-Departmental Business Register (IDBR) which is used as the sampling frame for surveys of businesses and is also a key data source for analysis of business activity. From 2008, IDBR covers businesses in all parts of the economy operating with VAT or PAYE schemes (prior to 2008). It therefore misses some very small businesses (self employed and those with low turnover and without employees) and some non-profit organisations. BERR estimates that the total number of businesses in the UK is 4.4 million, of these the IDBR holds records of 2.1 million units, representing 99% of economic activity.

In addition, ONS has launched a new Business Demography dataset which provides data on business births, deaths and survival rates for VAT/PAYE enterprises from 2002 to 2007. This replaces the BERR Business Start Ups and Closures dataset which covered only VAT registrations/de-registrations and is therefore a more accurate indicator of activity.

IDBR data is available at two levels - enterprises and local units. Enterprises are defined as the smallest combination of legal units which has a certain degree of autonomy. An individual site (e.g. factory or shop) within an enterprise is called a local unit. The Business Demography dataset is only available at enterprise level and IDBR has more variables at enterprise level than unit and therefore the following concentrates on enterprise data.

Inter-Department Business Register (IDBR) 2008 - Key Findings

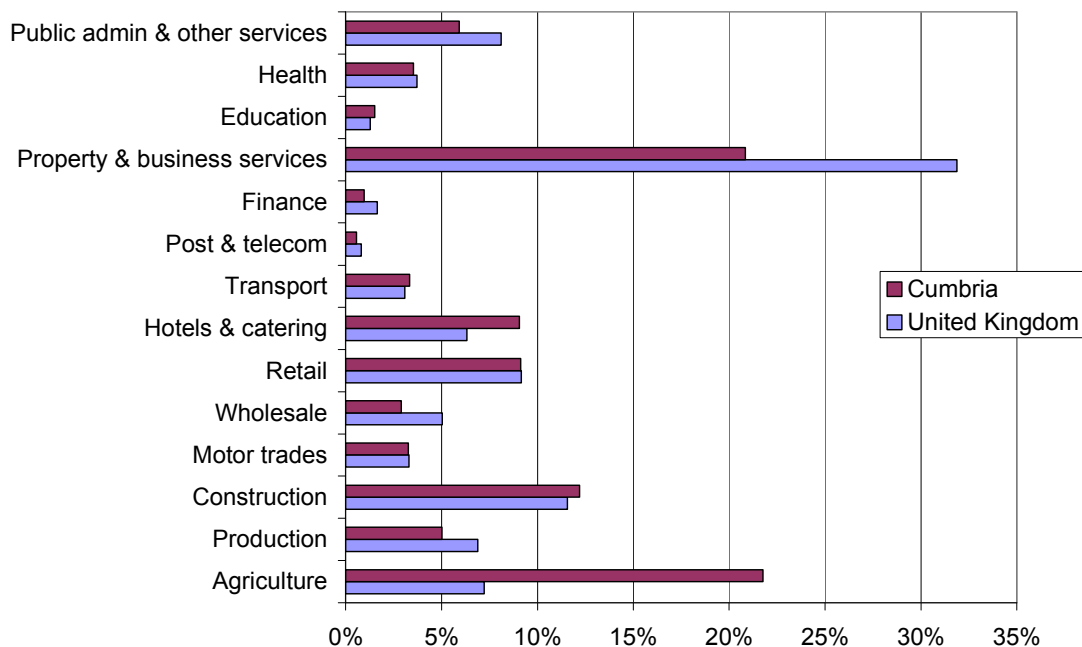
- In 2008 there were 22,375 VAT/PAYE enterprises in Cumbria (27,115 units) (see table 7.7)
- South Lakeland had the highest number of enterprises in 2008 (6,270) (see table 7.7)
- Barrow had the lowest number of enterprises in 2008 (1,710) (see table 7.7)

Table 7.7: Number of Enterprises by Sector 2008

	United Kingdom	North West	Cumbria	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland
Agriculture	156,055	12,295	4,870	1,095	65	810	480	1,340	1,080
Production	148,760	15,635	1,125	200	100	230	95	170	330
Construction	249,935	24,405	2,730	540	270	555	225	370	770
Motor trades	71,315	7,890	730	130	65	185	80	90	180
Wholesale	108,735	11,710	650	95	45	140	45	105	220
Retail	197,990	22,240	2,040	375	210	350	185	255	665
Hotels & catering	136,695	14,415	2,025	425	160	275	220	265	680
Transport	66,630	7,005	745	140	35	205	60	185	120
Post & telecom	17,620	2,005	125	10	10	50	10	15	30
Finance	35,595	3,840	215	45	20	65	5	20	60
Property & bus services	689,005	64,360	4,665	780	500	800	615	535	1,435
Education	27,770	2,715	340	40	25	70	30	55	120
Health	80,245	8,810	790	135	75	175	80	105	220
Public adm & other	175,205	15,710	1,325	240	130	270	145	180	360
Total	2,161,555	213,035	22,375	4,250	1,710	4,180	2,275	3,690	6,270

Source: Office for National Statistics IDBR 2008

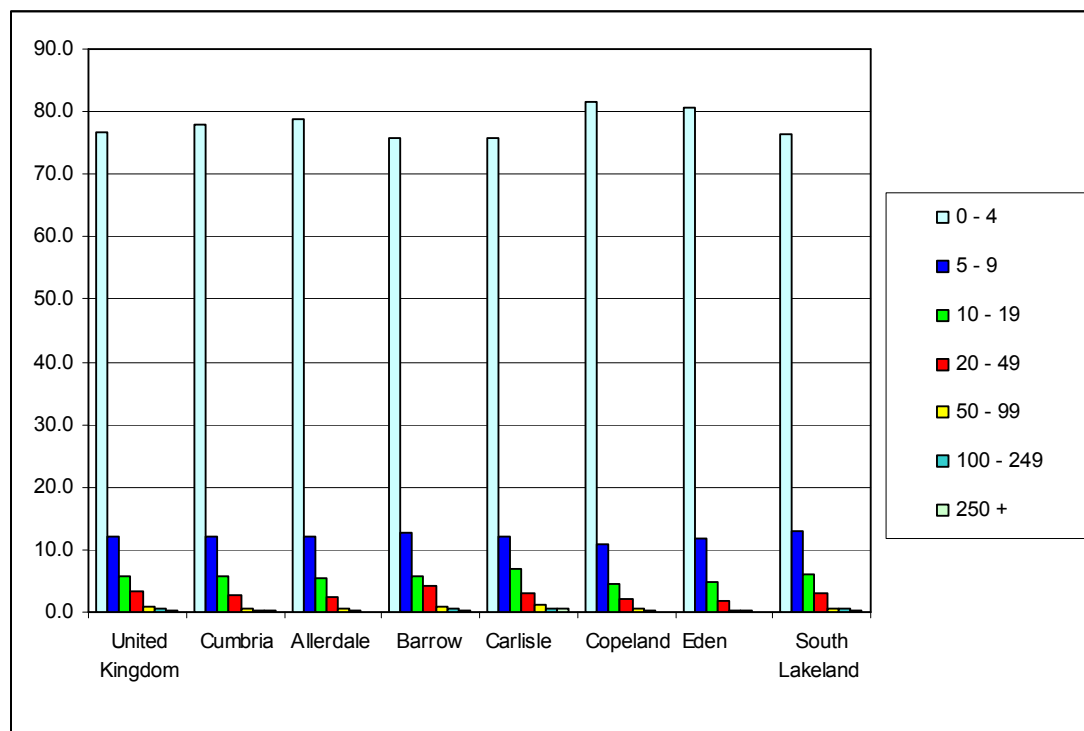
Figure 7.4: Proportion of Enterprises by Sector 2008



Source: Office for National Statistics IDBR 2008

- 21.8% of all enterprises in Cumbria are in the Agriculture sector (UK 7.2%) and a further 20.8% in business services (UK 31.9%) (see figure 7.4)
- 77.9% of enterprises in Cumbria employ 0-4 staff (UK 76.8%) (see figure 7.5)
- 1.3% of enterprises in Cumbria employ more than 50 people (UK 2.0%) (see figure 7.5)

Figure 7.5: Proportion of Enterprises by Employment Size Band 2008



Source: Office for National Statistics IDBR 2008

Business Demography 2008 - Key Findings

- There were 1,840 enterprise births in Cumbria in 2002, rising to 2,105 in 2006 (see table 7.8)
- In each year since 2002, the highest number of births has been in South Lakeland and the lowest in Copeland (see table 7.8)

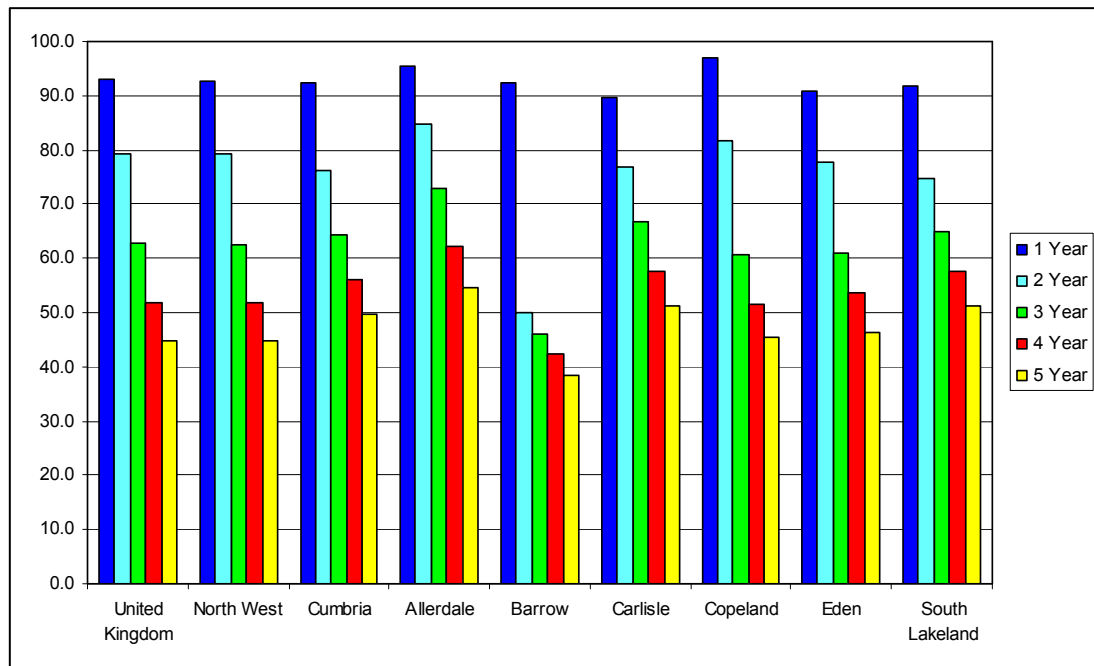
Table 7.8: Newly Born Enterprises 2002-2006

	2002	2003	2004	2005	2006
United Kingdom	242,535	266,995	280,080	274,855	255,530
North West	24,625	27,735	28,845	29,220	27,265
Cumbria	1,840	2,420	2,595	2,180	2,105
Allerdale	330	415	485	375	375
Barrow	130	180	325	240	220
Carlisle	390	445	485	480	450
Copeland	165	355	275	195	190
Eden	270	345	315	260	245
South Lakeland	555	680	710	630	625

Source: Office for National Statistics IDBR 2008

- 97.4% of the 2,105 enterprises born in Cumbria in 2006 survived for a year (UK 96.5%) (see figure 7.6)
- 69.4% of the 2,595 enterprises born in Cumbria in 2004 survived for 3 years (UK 65.3%) (see figure 7.6)
- 49.7% of the 1,840 enterprises born in Cumbria in 2002 survived for 5 years (UK 44.9%) (see figure 7.6)
- Allerdale had the highest 5-year survival rate at 54.5%, Barrow had the lowest at 38.5% (see figure 7.6)

Figure 7.6: Survival of Enterprises Born in 2002



Source: Office for National Statistics IDBR 2008

SECTION 8

TAKING POPULATION PROJECTIONS FURTHER- INCORPORATING LOCAL INFORMATION

Background

Cumbria Intelligence Observatory has begun to use the POPGROUP suite of population, housing and labour market forecasting tools to generate a range of 'what-if' scenarios for Cumbria's population. The previous bulletin (September 2008, Section 6 – Population Change in Cumbria: 1981 – 2031) presented official Office for National Statistics figures for projected population of Cumbria and districts. The information contained in this report is both insightful and useful, but POPGROUP gives us the capability to examine likely trends by entering some local assumptions that the traditional ONS model does not account for. As a result, we are able to create a range of population (and subsequent housing and labour force) likely scenarios based on our own local information.

About POPGROUP

POPGROUP is a family of software products designed to forecast population, households and the labour force. It is provided by the Centre for Census & Survey Research, University of Manchester. There are currently over 70 users, mainly public sector planners and those in economic development. It uses a standard cohort component methodology, allowing users to enter past information and their assumptions about the future for births and fertility; deaths and mortality; and migration.

The need for local information

The ONS population projections methodology does not take account of many local factors, for example: if a new housing estate is to be built or demolished; or if a major new contract has been awarded which will result in the creation of a significant number of jobs. They are simply intended to be a representation of what will happen in the future if various trends in births, deaths and migration continue into the future. But it is this sort of information that can make a real difference to the way a population might look in twenty years time. POPGROUP gives us the capability to make assumptions on these variables. We are able to build into the model assumptions about, for example:

- Local differences in birth/death trends to national/regional figures.
- Implications of planning restrictions/developments.
- Regeneration/growth of local economy and/or the effects of national trends – e.g. economic downturn – at the local level.

It should be noted that caution must be used when using the results of any population forecasting scenario. Like the ONS population projections, the outputs from the POPGROUP model cannot be relied upon as fact. It may be that what actually occurs is considerably different to what is suggested by the model. However, they are the best available estimates available that take into account what is happening and what is likely to happen **locally**.

Population Led Scenarios

We have produced a number of population led scenarios, two of which are presented here. Population led modelling simply means that it is the population data that we have entered into the model that is controlling the forecast, and the assumptions we

have given the model to work with are about our beliefs about what will happen to the population element of the model. So, put simply, the model takes information we have given it about what has actually happened in the past⁷, and uses the cohort method to determine what will happen for the remainder of the forecast period, whilst taking into account the local information we have specified about fertility and mortality trends.

A. Zero Net Migration Scenario

A zero net migration run has been produced as a starting point. This scenario assumes that there will be no migration – either in or out both internally and internationally – for the period of the forecast. This is, of course, an unlikely scenario. However, it is useful in the broader context because it allows us to take migration out of the equation and examine how natural changes (i.e. births and deaths) are likely to affect the future population, alongside the local assumptions we have made.⁸

B. 5 Year Net Migration Scenario

This run uses all the information provided in the zero net migration scenario, but takes account of migration. The model uses estimates of migration over the past five years to formulate what will happen to migration in the future. In addition to this, we have also been able to weight the last five years worth of data so that the future predictions give more credence to the most recent 2 years of data⁹ Local assumptions about migration have also been made.¹⁰

Figure 8.1: Summary of 5 Year Projections for each scenario

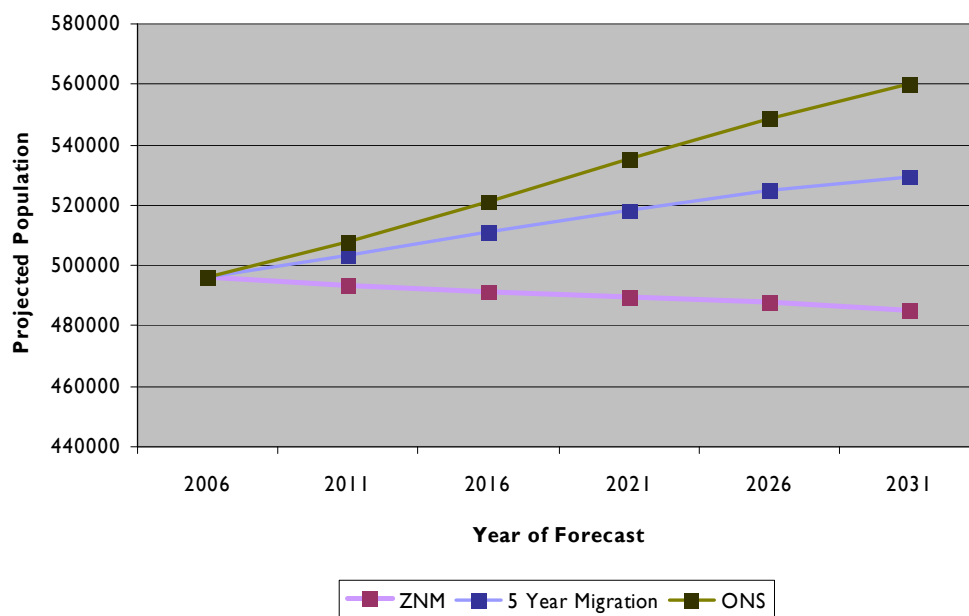


Figure 8.1 shows the overall projected population under each scenario, including those from the Office of National Statistics projections. The graphs shows that the zero net migration (ZNM) scenario indicates that population will fall by just over 11,000 over the period, whilst both the POPGROUP 5 year migration scenario and the ONS projection predict substantial growth throughout this period. Interestingly, the

⁷ Figures provide at district level for the base year of 1991 through to 2006 taken from the Registrar General's Mid Year Estimates of population, Office for National Statistics © More detailed base year information provided for gender specific, single year of age taken from 1991 Census, Office for National Statistics, ©

⁸ The model includes some mortality and fertility differentials based on national projections, as well as district level schedules of rates for Age Specific Fertility rates (15-44)

⁹ Historical migration data has been weighted on a district by district basis using the following weightings – 2002 (10%), 2003 (10%), 2004 (20%), 2005 (30%), 2006 (30%)

¹⁰ The model includes district level age specific migration rates.

ONS projection anticipates a much higher increase (+12.9%) than the POPGROUP scenario (+6.6%). The graphs shown in Figure 8.2 show the projected population for each scenario broken down by broad age categories (0-14, 15-64, and 65+).

Figure 8.2: Population shown by Broad Age Groups

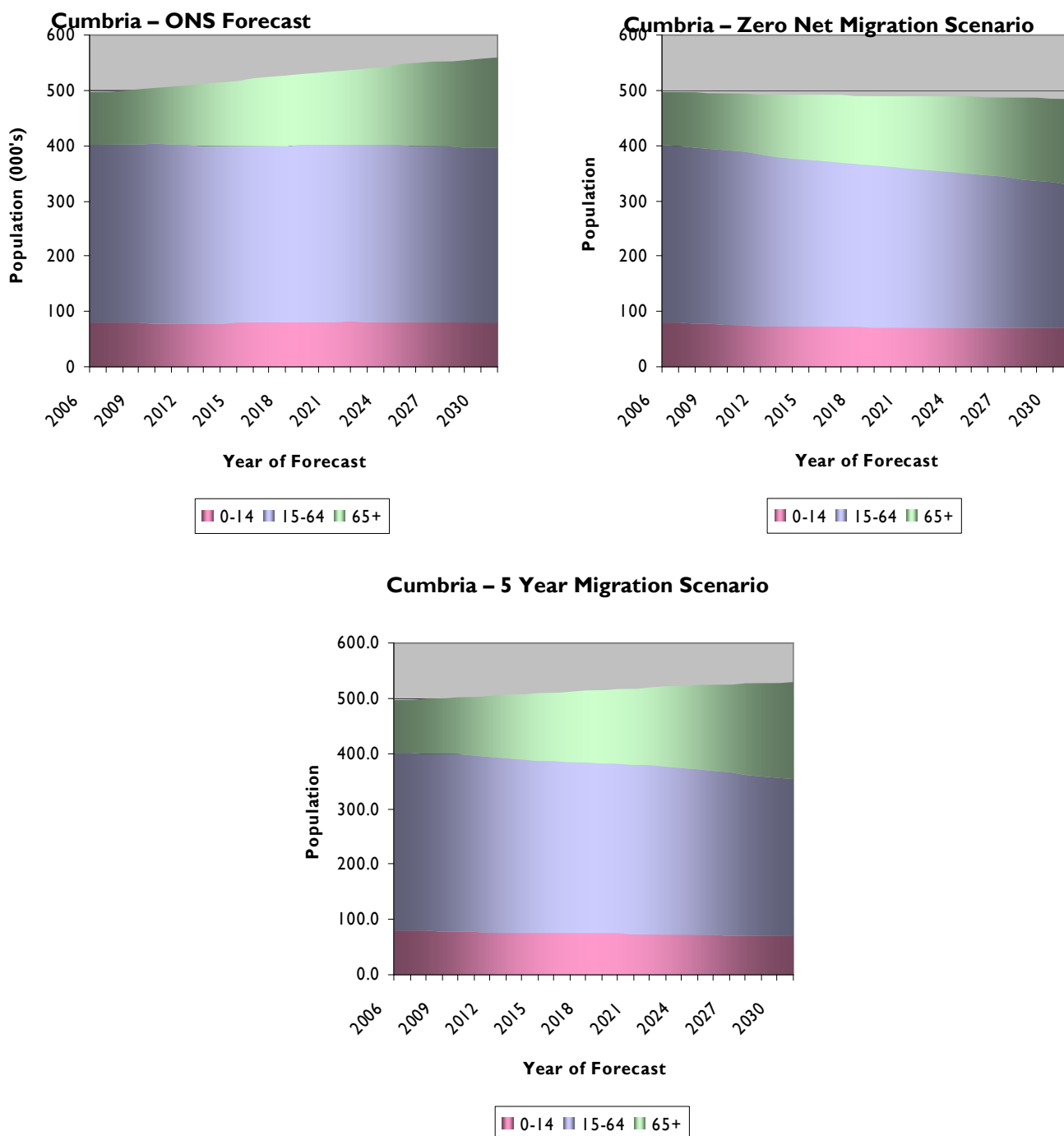


Figure 8.3: Proportion of Population by Broad Age Group under each scenario

	ZERO NET MIGRATION			5 YR MIGRATION			ONS		
	2006	2016	2031	2006	2016	2031	2006	2016	2031
0-14	16.4	14.6	14.3	16.4	14.8	13.1	16.4	15.3	14.3
15-64	64.5	60.9	53.7	64.5	60.8	53.7	64.5	61.4	56.3
65+	19.1	24.5	32.0	19.1	24.4	33.2	19.1	23.3	29.4

The graphs and tables show the proportion of the population falling into each age category. In 2006, 16.4% of the actual population were 0-14, with 64.5% in the working age category¹¹ and just under 20% being 65+. Looking specifically at 0-14's we can see that all the scenarios presented here follow broadly the same pattern, that is the proportion will fall over time. However, the two locally produced forecasts both predict this category to fall to a lower level than the ONS one by 2016. By 2031, the zero net migration and ONS scenario both show a decrease to 14.3%, whilst the 5 Year Migration Scenario predicts only 13.1% falling into this category. Taking the working age population as a group we can see that each scenario predicts a significant fall in proportions. By 2016, all the forecasts indicate that levels are likely to drop to roughly 61%. By 2031 however, the local forecasts both show a level of 53.7% with the ONS scenario predicting 56.3%. Finally, looking specifically at older adults, we can see that all scenarios predict sustained and significant growth throughout the forecast period. However, both the local forecasts indicate that this growth will be higher than the ONS scenario.

Figure 8.3 establishes that there are some noticeable differences between our local scenarios and the ONS projections. Figure 4 presents the proportions for broad age groups throughout the forecast period for both England & the North West region (Cumbria has also been included for comparative purposes.) It can be seen that the proportion of 0-14's is predicted to stay reasonably static for both England and the North West. By 2031, Cumbria is predicted to have a proportion that is over 3% less than the regional and national picture. The proportion of working age population differs considerably for both England and the NW. Both are predicted to decline by roughly 5%. Cumbria's proportionate decline is higher than this with an 8.2% drop by 2031. Looking specifically at the proportion of the population who are 65+ we can see that all geographical areas show significant proportionate increases. However, England's rise of 5.8% and the North West's rise of 6.1% are much less than the 10.3% predicted rise for Cumbria throughout the forecast period.

Figure 8.4: Proportion of Population by Broad Age Group: ONS Scenario, Eng & NW

	England			North West			Cumbria		
	2006	2016	2031	2006	2016	2031	2006	2016	2031
0-14	17.7	17.7	17.0	17.9	17.7	17.0	16.4	15.3	14.3
15-64	66.3	64.2	61.2	65.9	63.9	60.7	64.5	61.4	56.3
65+	15.9	18.1	21.7	16.2	18.4	22.3	19.1	23.3	29.4

So, taking into account the information contained within Figure 8.3 and Figure 8.4, we can start to see how these local forecasts have tremendous implications for Cumbria. Even looking only at the ONS forecasts, we can see that there are two main issues that arise out of this data. Firstly, the working age population is set to proportionately decrease – nationally, regionally and sub regionally. This means that the proportion of the population contributing to the economy is set to decline. Secondly, the proportion of the population who are likely to require support services targeted towards older adults is set to increase. And furthermore, this is to be felt more prevalently in Cumbria, than both regionally and nationally. This is not a new phenomenon – indeed this predicted shift in population structure is well documented. However, these local forecasts suggest that the issues facing Cumbria are likely to be more pronounced than the ONS forecasts suggest.

Comparing Components of Change

Figure 8.5 presents the components of change for the ONS forecast and the 5 year migration scenario created using POPGROUP. This allows us to see the drivers for

¹¹ For the purposes of this briefing, working age has been defined as 15-64, as data is only available for accumulation in quinary bands for some projections.

population change, and identify what factors are contributing towards the differences between the two forecasts. The table presents a snapshot of components for selected years throughout the forecast period.

Figure 8.5: Components of Change: ONS forecast, 5 Year Migration Scenario (POPGROUP)

	2011		2016		2021		2026		2030	
	ONS	5 YR	ONS	5 YR	ONS	5 YR	ONS	5 YR	ONS	5 YR
Births	5000	4600	4900	4500	4900	4400	4700	4200	4600	4000
Deaths	5400	5400	5400	5300	5600	5400	5900	5500	6400	5700
Natural Change	-400	-700	-500	-800	-700	-1000	-1200	-1300	-1800	-1600
Internal Net Flow	2400	1900	2800	1900	3200	2000	3400	2000	3500	1900
International Net Flow	500	400	400	400	400	400	400	400	400	400
Total Net Flow	2900	2300	3200	2300	3600	2400	3800	2400	3900	2300

The table helps us understand the differences between the two forecasts. Firstly, the locally produced forecast predicts fewer births consistently throughout the forecast than the ONS one. This difference, of approximately 500 births each year, impacts considerably on the results. The main reason for the difference is due to the incorporation of local factors put into the POPGROUP model in order to forecast fertility rates into the future. The number of deaths for each forecast is more aligned, although towards the end of the forecast period the ONS forecast predicts approximately 10% more deaths each year than the POPGROUP model. Again, the differences can be attributed to differing mortality rates for local areas. Secondly, there are some considerable differences in expectation for internal migration. The ONS model consistently predicts a much higher level of internal migration than the POPGROUP model. Indeed, in 2011 some 500 more internal migrants are expected under the ONS forecast. By 2030, the ONS forecast differs by 1600. This is the main reason why the total populations differ so considerably between forecasts. For the local forecast, we have chosen to use historical data, but to weight the results so more emphasis is placed on the most recent years.

Further uses of POPGROUP

POPGROUP has much more functionality that it is not possible to detail in this briefing note. In addition to offering projected figures for population change and its components, it is also possible to determine the dwelling requirements needed for expected populations. It is also possible to create dwelling led scenarios – different from population led scenarios in that they tell us what the population would be if we provided a certain number of dwellings in the future. Similar to dwelling led scenarios, it is also possible to produce a labour force led scenario which informs us what the population levels are likely to be based on the change in the number of jobs in Cumbria over time. These latter two scenarios have the potential to be invaluable to planners, helping to make sure that the long term effects of planning decisions can be modelled as realistically as possible. The Cumbria Intelligence Observatory is working to refine these models and it likely we will be reporting the findings shortly. For more detailed information including data sets in full, please visit the Cumbria Intelligence Observatory Website¹².

¹² <http://www.cumbriaobservatory.org.uk/Population/populationforecasts.asp#>

SECTION 9

KEY TRANSFORMATIONAL PROJECTS

This section contains information collated by Cumbria Vision which outlines current progress with key transformational infrastructure projects in Cumbria by geographical areas of Carlisle, West Cumbria, Barrow and Eden and South Lakeland.

Carlisle

Carlisle Northern Development Route

The start of the construction of the £150 million Carlisle Northern Development Route has been delayed as a result of the credit crisis as the main funding for the Private Finance Initiative (PFI) contract was withdrawn by Dutch/Belgian Bank. In the meantime Cumbria County Council has been progressing enabling works through a Pre Development Agreement (PDA). In November 2008, it was agreed that the Council would continue to underwrite costs incurred under the PDA pending a PFI contract being signed and these costs would be increased from £5.3m to £8.3m.

Cumbria County Council's preferred bidder – CNDR Connect a consortium led by Balfour Beatty, has been in talks with a dozen potential lenders and a consortium of four banks have agreed in principle to provide £142.8m. Letters of support have been received from the four banks and due diligence processes are currently underway. Assuming the project remains affordable and the funding terms are acceptable to the Department of Transport/Treasury then it should be possible to sign a contract in March 2009. Once the funding has been agreed work could commence almost immediately. The road is due to open in 2011.

Carlisle Airport

The revised planning application for the £25 million development of Carlisle Airport was submitted to Carlisle City Council in early October 2008 and was approved by the City Council on 19 December 2008. The proposal includes the development of 387,500 sq ft of warehousing and a four storey office block as well as improved runway and terminal facilities at the Airport. It is estimated that it will safeguard 565 jobs and create 100 new jobs.

Once a Section 106 agreement between Carlisle City Council and Stobart Air Ltd has been agreed, it is anticipated that Stobart Air Ltd will commence development in Spring 2009 with completion scheduled for early 2010. This development is unlikely to be delayed by the current economic climate as Stobart Ltd have just commenced a major £100 million development at Widnes and completed the £21 million purchase of Southend Airport on 1 December 2008.

University of Cumbria Main Campus, Carlisle

The development of proposals to create a landmark headquarters for the University at Caldew Riverside proceeds apace. Land acquisition from Carlisle City Council is proceeding and architects have been commissioned to design the first phase 200,000 sq ft complex which it is hoped will start construction in 2010. Negotiations to acquire the southern part of the Caldew Riverside site from Tesco continue and if this land can be secured will provide Phase 2 a further 200,000 sq ft of University campus buildings which could be in operation by 2012 depending on funding. The NWDA recently announced £26m of funding for the development of the University of Cumbria over the next eight years, claiming that this will directly create 530 new jobs over the next eight years and will support the creation of 340 new businesses and help the University to increase the number of students by 28,000 by 2017.

Kingmoor Park

Kingmoor Park is classified as a Regional Investment Site. Since 1999 approximately 100 companies have located at Kingmoor Park, occupying 1.5 million sq ft of floor space and providing 1,430 jobs. Current undeveloped land at Kingmoor Park totals more than 100 ha with the capacity for over 2 million additional sq ft of employment space, although site servicing will cost in excess of £10 million.

Kingmoor Park Properties Ltd currently has full planning permission for a scheme known as the "Hub". This includes 150,000 sq ft of purpose built office space, a pub, restaurant, café, mini supermarket, petrol station and a 130 bedroom four star hotel situated adjacent to the proposed Carlisle Northern Development Route. In addition Kingmoor Park Properties Ltd are applying for outline planning permission for offices, light industrial, storage and warehousing (B1/2 and B8) on the Brunthill site which will significantly increase the size of Kingmoor Park, although the pace and scale of development will be dependent on both the economic situation and the completion of the Carlisle Northern Development Route.

M6 Employment Sites at Junctions 42, 43 and 44

Carlisle Renaissance have commissioned GENECON to look at development options for employment use around the three major Carlisle motorway junctions as additional employment land which would complement Kingmoor Park. The results of this work will need to be fed into the emerging Carlisle Local Development Framework before any firm development proposals can be programmed.

West Cumbria

Britain's Energy Coast Development Programme

An integrated series of projects which are in the initial planning/feasibility stages which could help to transform the economy of West Cumbria. These projects include the decommissioning and development of the Sellafield site by the new operators Sellafield Ltd, the possibility of a new Nuclear Power Station at Sellafield and the development of further research and development and skills training in the nuclear industry at Westlakes Science Park etc. as well as the development of other forms of energy generation – offshore wind farms, Solway Barrage etc.

Building the Case for Nuclear New Build

The Prime Minister's visit on 23 January 2009 coincided with the announcement by the NDA that it expects to nominate land near Sellafield for consideration under the Government's Strategic Siting Assessment (SSA) process. The NDA also intends to release to the market significant land holdings adjacent to Sellafield as part of a land disposal process announced last year. RWE npower announced on 25 February 2009 that it has secured options to buy land at two sites one near Sellafield and the other in the Millom area for possible new nuclear power stations. The company has also received a grid connection offer for the site near Sellafield. It is anticipated that both sites will be nominated into the Government's Strategic Siting Assessment (SSA) process before the deadline – 31 March 2009.

National Nuclear Laboratory

The competition for a new Managing Contractor for the National Nuclear Laboratory (NNL) is being led by the Government and is progressing to schedule. The intention is to appoint a new Managing Contractor by 1 April 2009. The NDA is leading the project to develop and gain regulatory approval for the new operating model, which will enable the NNL to conduct its business in three facilities, two at Sellafield and one at Springfields. The new contracting model along with the expertise of the successful contractor will provide medium and long term commercialisation opportunities.

Dalton Cumbria Facility

Manchester University now has an office on Westlakes Science Park in advance of the building of the Facility. This is currently at design stage and is aiming for planning

permission in March 2009, with building completion scheduled towards the end of 2010. Meanwhile staffing of the academic research teams and recruitment of students is currently underway in both Radiation Sciences and Decommissioning Engineering to enable work to begin in the National Nuclear Laboratory (NNL).

UCLan@Westlakes (Westlakes Research Institute)

The University of Central Lancashire (UCLan) has announced a comprehensive £5 million upgrade of its Westlakes Campus, which was formerly known as the Westlakes Research Institute. Work has already started and is intended to be completed in time for the new academic year in September 2009. The development will provide 659 sq metres of new teaching space and 1,529 sq metres of refurbished accommodation. The Campus will also include business support, incubation and conference accommodation.

Energus

Construction of the new Energus Academy campus at Lillyhall, Workington, is currently under way and is on schedule to be completed by March 2009 with an anticipated opening date of June 2009. This £20 million development will provide education facilities for the nuclear industry in West Cumbria and the Sellafield apprentices will start at the Academy in September 2009. The University of Cumbria has agreed to operate some of its planned activities from Energus and a dedicated area has been built within the campus to accommodate up to 250 students in the next five years.

University of Cumbria – West Cumbria Campus

The University of Cumbria is establishing a West Cumbria campus as part of the Energus development and is already working in collaboration with Lakes College, Energus, the NDA, and Lancaster University to establish an integrated campus of major education facilities in and around Lillyhall.

Derwent Forest

Allerdale Borough Council and Cumbria County Council have now completed the purchase of the 425 ha site from the Ministry of Defence. A marketing campaign will be undertaken in early 2009 to test the market for potential private sector developers and to prepare preliminary designs for "green" housing, hotel, holiday lodges and commercial and non commercial leisure uses. This is a long term project where development is unlikely to commence until the current economic situation has abated

West Cumbria Health Campus

Cumbria's Primary Care Trust have recently announced that the location for the new West Cumberland Hospital will be the site of the existing hospital on the outskirts of Whitehaven. Some of the existing buildings on site will be demolished and the new hospital will comprise of a mixture of new buildings as well as extensive refurbishments of some of the current ones.

It has recently emerged that only £100 million is available for the new hospital. However, making use of the current site means that investment in infrastructure will be minimal and a formal public consultation will not be required, thereby reducing costs, speeding up the process and allowing more money to be spent on service provision. An outline business case will now be prepared for submission to the Strategic Health Authority and the refurbished hospital will be delivered over the next 5 to 10 years.

Lillyhall Workington

The NWDA have commissioned Taylor Young to undertake a £250,000 Master Plan to guide the development of Lillyhall over the next 10 – 15 years which will be completed by the end of March 2009. The consultants are examining a number of scenarios which could include business use, education, health and tourism and leisure opportunities.

A property development company, Northern Developments, has put forward a £32 million mixed use development for Lillyhall North. This would cover 10.6 ha and includes 9,000 sq metres of light industrial units, 4,000 sq metres of office development, three motor retailers, a hotel, a food outlet and petrol station.

Roman Maryport

The development of Camp Farm and the Senhouse Roman Museum as a major visitor attraction at the western end of Hadrian's Wall is a central part in the regeneration programme for Maryport which includes the completion of the marina and associated development at Maryport Harbour.

Hadrians Wall Heritage Limited have completed the purchase of Camp Farm itself for £900,000. The estimated capital cost of the development is £10.5 million and major applications for funding are currently being prepared for NWDA, ERDF and the Heritage Lottery Fund. If successful, development could commence in 2010.

Port Derwent, Workington

Two major competing private sector schemes are proposed for the Derwent Howe area of Workington to the West of the main railway line.

A major £150 million mixed use development (Rymer Developments) which would create a new marina, significant new residential, business and commercial retail and leisure opportunities and lead to a significant change in the image of Workington in particular and West Cumbria in general. A lot of initial feasibility work has been undertaken but there are significant planning issues to overcome and any development is unlikely to commence in the current economic climate.

A competing £100 million mixed use development (Eatonfield Developments) is proposed for the 87 acre former Corus Steelworks site. The Company have applied for outline planning permission for a mixed use scheme including a retirement village, hotel, restaurant, pub and retail shops, creating 1,500 new jobs and 650 houses and apartments. It is anticipated that construction would commence in May 2010 and the project would be built out in phases through to completion in 2017.

Port of Workington

The Port Authority is developing a major £18 million infrastructure project. Phase 1 will include the provision of a mobile container handling crane to accommodate container traffic in order to attract a regular weekly shipping freight service between Workington and Mainland Europe. A concept proposal has been approved by the NWDA for £8 million to fund Phase 1. Phase 2 of the project will include the provision of at least 17,260 sq metres of warehousing to be funded by the private sector.

Workington Sports Village

A major £30 million proposal to construct a 10,000 seater stadium on the Cloffocks for the controversial joint use of Workington Rugby Club and Workington Football Club as well as additional all weather outdoor and indoor sports facilities.

Barrow

Waterfront Business Park

Waterfront Business Park will be developed in three stages – Ramsden, St Andrews and Anchor Line – and will cater for a wide spectrum of businesses, from office, research and industrial to storage, warehousing and distribution. On completion it is expected to have helped create up to 1,500 new jobs over a 10 year period.

Work started on the first phase of the development, Ramsden Business Park, in September 2008 and servicing of the site is now nearing completion and marketing is underway. West Lakes Renaissance is leading on the development, made possible by

£8 million of funding from the North West Regional Development Agency. The site was designed by Capita Symonds and work has been carried out by Carillion.

Work started on a new £5 million access road to the site in December 2008 (taking traffic away from nearby residential areas) after funding was secured from the Northwest Regional Development Agency and the European Regional Development Fund and planning consent granted by Cumbria County Council.

Marina Village

Marina Village is a proposed £120 million mixed residential, retail and leisure development that will result in the creation of a new sustainable community. The development will not only help meet local demand for high quality housing and leisure facilities, but will also help put Barrow's once bustling waterfront back on the map.

In October 2008 West Lakes Renaissance and partners Barrow Borough Council announced they would be working with Carlisle-based Story Group on the Marina Village development. Negotiations are currently underway to refine the Story Group's proposals and if successful an official agreement will be entered into, paving the way for work to begin on site. It is anticipated that Marina Village will take 10 years to complete from the start of construction work.

Marina Village includes:

- 650 homes
- Leisure facilities including a new hotel, retail space, restaurants and bars, all with an attractive waterside location which will compliment existing improvements to the retail and leisure offering that is taking place in the town centre.
- A 350-berth marina and boat lift
- Watersports Centre that will cater for canoeing, sailing, kite surfing, wind-surfing and power boat racing.
- Iconic footbridge

Eden and South Lakeland

K Village Kendal

Construction commenced in early 2008 on a £100 million development of a 50 unit premium factory outlet centre with restaurants, café, underground car parking, tourist facilities and 90 apartments. The main construction contract has been awarded to Miller Construction (UK) and in January 2009 the steel work structure started to appear above ground. Completion is now scheduled for Spring 2010. The developers recently announced that 70% of the retail floor space had been pre let to retailers such as Clarks, Tog 24, National Trust etc and on completion they anticipate 2.5 million visitors per year.

New Squares Penrith

The construction of this new £59 million retail development was suspended on 4 October 2008 as a result of National Australia Bank withdrawing funding from the project. The NWDA have agreed to £1 million funding to help Phase 1 of the development which will see the completion of the development of the sports facilities at Frenchfield. This will facilitate the relocation of Penrith Football Club from Southend Road to Frenchfield and enable the Sainsbury's store and some car parking to be built on the Southend Road site. The rest of the New Squares Development is currently on hold as Eden District Council and the developers Lowther Manelli continue negotiations to re-finance the scheme.

Conference Centre, Low Wood Hotel, Ambleside

This project – to create a dedicated conference centre on the Lake Windermere side of the A591 linked to the hotel by a tunnel – has an expired planning permission. Informal pre-application discussions with the LDNPA are underway so it is unlikely

that a start will be made on this project until 2010 and the start date may be further delayed by the current economic conditions

Lakeland Motor Museum

The Lakeland Motor Museum has been granted detailed planning permission by LDNPA. It is hoped that work on site will commence in Spring 2009 with completion and opening due Easter 2010. The development of the Museum is conditional on the development of a rail halt on the Lakeside and Haverthwaite Railway to limit car parking on site and this is subject to both planning permission and a £330,000 funding bid to the NWDA.

The Glebe, Bowness

A Steering Group has been established with representation from the Lake District National Park, NWDA, Cumbria County Council and South Lakes Development Trust to take this project forward. £100,000 of funding for a Master Plan for the area has been secured from the NWDA. A tender brief has been prepared and issued; and consultants are likely to be appointed in March 2009.

Lakeland Steamboat Museum, Bowness

Consultants (Metaphor) are undertaking a feasibility study for the Lakeland Arts Trust. This is due to be completed by March 2009.

National Park Visitor Centre, Brockhole

Stephen Yates Consulting has been appointed as project manager for the preparation of the prospectus for the redevelopment of Brockhole and £180,000 has been secured from the NWDA to undertake this work. English Heritage has decided not to list the house but have said that the relationship between the house and gardens, which are listed on the National Register of Parks and Gardens, are important. The LDNPA and partners will need to bear this in mind as the options for the development of Brockhole as a world class attraction are considered. Adam Thomas joined the LDNPA as Brockhole Development Programme Director in January 2009.

Waterhead Public Realm, Ambleside

South Lakes Development Trust commissioned BDP (consultant architects) to produce a detailed public realm improvement programme for Ambleside. The first phase of this would be a comprehensive £6m scheme at Waterhead, however there has been a significant amount of local opposition to the scheme. South Lakeland District Council are now managing the project and a further £250,000 of funding has been agreed. A tender document has now been issued and it is likely that consultants will be appointed in March 2009 to develop new design proposals for the Waterhead area.

Lakeside and Haverthwaite Railway, Newby Bridge

The Lake District National Park Authority are in discussions about the possibility of a master planning exercise for the entire southern tip of Lake Windermere including Lakeside/Fell Foot, Newby Bridge, the whole length of the Lakeside and Haverthwaite Railway including Backbarrow rail halt and Haverthwaite Station, the Motor Museum and Furness Railway Trust's proposed transport museum.

Lowther Castle and Gardens

The NWDA have approved a £9 million funding package for the £15 million Lowther Castle development scheme. Initial development of the site will begin in Spring 2009 regardless of whether a further £5 million grant from the Heritage Lottery Fund is forthcoming and visitors will be able to visit Lowther Castle and Gardens from Spring 2010 as it develops incrementally. Visitor numbers are estimated to increase from 60,000 in 2010 to 150,000 in 2012.

M6 Employment Sites – Junction 36

Preliminary work was undertaken to look at the South Lakeland Gateway Scheme in 2005, but current employment designations will need to be agreed through the

current work on the South Lakeland Local Development Framework before any future detailed design work can commence.

M6 Employment Sites - Junction 41

Eden District Council has begun preliminary discussions about major residential, business and leisure development in North Penrith as part of the Eden Local Development Framework. It is anticipated that major infrastructure work would be required including a flood prevention scheme and a new road from Junction 41 into the development.

Kendal Sports Village

A steering group has been formed and consultants appointed to carry out a feasibility study which will be completed by Easter 2009

Troutbeck Bridge

A private company has purchased Troutbeck Bridge Swimming Pool and have commissioned Stage 1 designs for a Sports Village adjacent to the Lakes Secondary School.

SECTION 10 NUCLEAR SUPPLY CHAIN IN WEST CUMBRIA

This section reports the findings of research on the impacts of purchasing and subcontracting within the supply chain gravitating around the nuclear industry in West Cumbria. Principal aims of the research were to obtain an estimate of the annual retention of spend in West Cumbria of total contract expenditure of British Nuclear Group (BNG) at Sellafield for the financial year 2007-08; and to map the patterns and key determinants of the degree of "local spend" of firms in the Sellafield nuclear supply chain. Using a survey of 121 suppliers to BNG at Sellafield, the study assessed the impacts on suppliers and subcontractors and the level of dependency of these suppliers on contracts within the West Cumbria economy. The study, conducted by the Centre for Regional Economic Development at the University of Cumbria focused on contracts sourced by BNG at Sellafield worth £500,000 and above. These contracts generated a target population of 152 contracts that accounted for approximately 92% of total contract spend. The number of businesses associated with these contracts was further reduced in order to eliminate contracts that were considered to be outside the scope of the study (i.e. services provided by statutory and regulatory bodies, such as the Nuclear Decommissioning Authority, that are not subject to the normal processes involved in a competitive supply chain situation). In the final analysis, CRED researchers had a target population of 131 firms. Data collection was operated through questionnaires sent to businesses between July and September 2008.

At the end of this process, 68 replies had been received, a response rate of 52% of cases representing 77% of total contract value (in sterling - see Table 10.1). Figure 10.1 shows that most firms in the Sellafield supply chain have a HQ location outside Cumbria (82%) and many of these are outside the NW Region entirely (57% of total). In contrast, most firms have some kind of "presence" in West Cumbria (65%) at least in terms of office space. It is self evident that defining "local suppliers" in terms of "having a local address" of some kind is likely to inflate estimates of local retention considerably. Finally, Figure 10.1d shows respondents categorised by the number of employees in West Cumbria. Some (13) had no workers in West Cumbria and the largest category comprised firms with less than 50 workers in the area (27 or 40%). At the other extreme, five respondents had "over 250 workers" in West Cumbria.

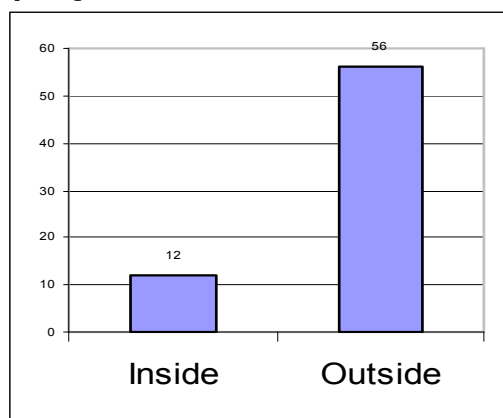
Answers obtained by questionnaires indicated that most suppliers to Sellafield have relatively low dependency on these contracts. As shown by Figure 10.2, Sellafield contracts accounted for less than a third of their total company turnover in most cases (50). Again, in 31 cases, the level of dependency was extremely low (under 4 percent of total turnover). These figures on dependency partly reflect the fact that many suppliers to Sellafield are very large global companies with diverse interests both within and outside the nuclear sector. However, there will also be some firms that, despite a low dependence on Sellafield have a high dependence on the nuclear sector as a whole.

Table 10.1 Survey response and contract values

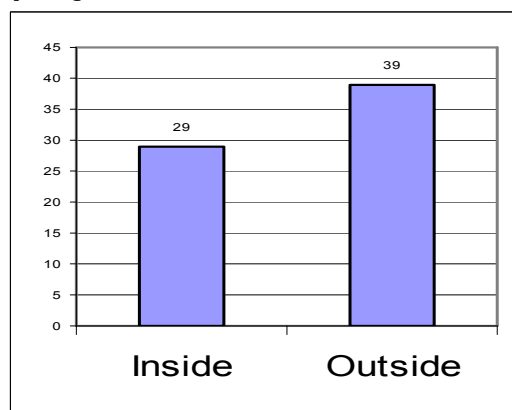
Total amount of contracts considered- Sellafield Ltd 2007-08	£659,631,592
Total amount of contract in survey target population	£604,147,751
Total amount of contract value captured by the survey responses	£466,674,209 (77.2%)
Residual amount of contracts associated with non-respondents	£137,473,542 (22.8%)

Figure 10.1: Cumbrian presence

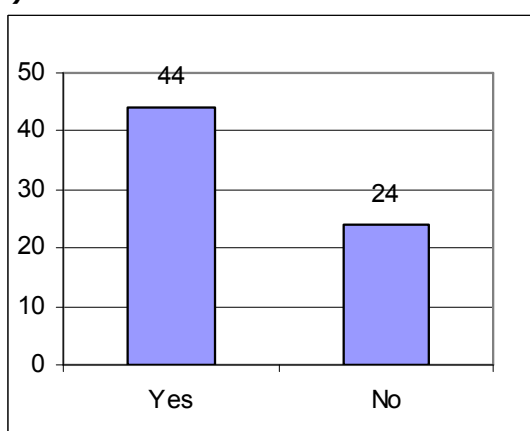
a) HQ Location in Cumbria



b) HQ Location in NW



c) Presence in West Cumbria



d) Number of workers in West Cumbria

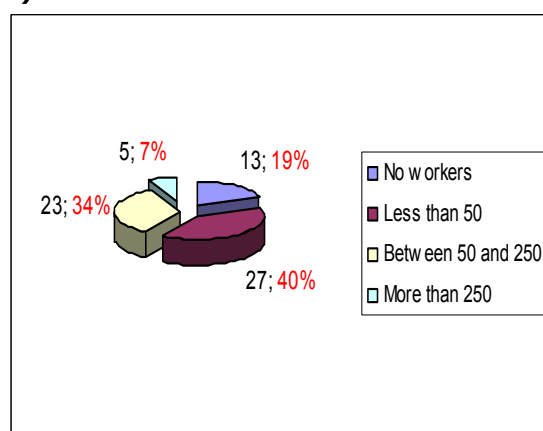
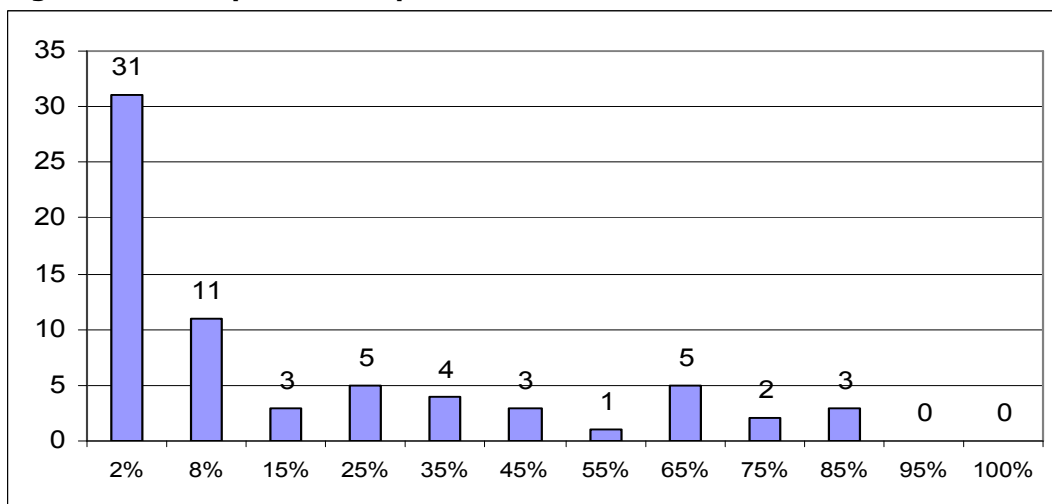


Figure 10.2. Dependence upon Sellafield Contracts



Question: What proportion of your company's total turnover was accounted for by contracts held directly with Sellafield Ltd (exclude Sellafield work secured via subcontracts with other companies)?

Key-questions included in the questionnaire asked managers to indicate the proportion of work conducted on contracts with BNG at Sellafield carried out within the company in West Cumbria or in some other location. Again, similar questions referred to the proportion of work subcontracted to other suppliers located inside or

outside West Cumbria. Information gathered from these questions enabled the sub division of the total value of the contracts into four categories:

- Subcontracted in West Cumbria (Subc.WC)
- Subcontracted outside of West Cumbria (Subc.Leakage)
- Work in House in West Cumbria (WIH WC)
- Work in House outside of West Cumbria (WIH Leakage)

Table 10.2 shows how the pattern of contract retention and leakage varies by HQ location and firm size. From a total work done of £466M, the work done "in house" in West Cumbria (WIH WC) is estimated at £118M or 25 percent of the total. A further £28M of contract value is subcontracted to other firms in West Cumbria (6%) (Subc. WC). In aggregate, therefore, the level of retention of Sellafield contracts for this group of suppliers is estimated at 31 percent and, by definition, leakage accounts for 69 percent of contract value. Most of this leakage is accounted for by work done "in-house" at locations operated by Sellafield suppliers outside West Cumbria (i.e. intra-firm leakage) (WIH Leakage).

Table 10.2 Variations in levels of leakage and retention within West Cumbria, by HQ location

HQ in NW	Presence in WC	Subc. WC	Subc. Leakage	WIH WC	WIH Leakage	Row Totals
Yes	Yes	£17,106,839	£15,881,697	£63,110,057	£23,324,878	£119,423,471
	%	14.32%	13.30%	52.85%	19.53%	100.00%
	No	£629,813	£1,373,807	£2,622,242	£4,742,718	£9,368,581
	%	6.72%	14.66%	27.99%	50.62%	100.00%
	Sub Tot	£17,736,652	£17,255,505	£65,732,300	£28,067,596	£128,792,053
	%	13.77%	13.40%	51.04%	21.79%	100.00%
No	Yes	£5,809,659	£15,682,767	£44,859,911	£209,610,202	£275,962,539
	%	2.11%	5.68%	16.26%	75.96%	100.00%
	No	£4,386,315	£5,583,385	£7,761,482	£44,188,435	£61,919,617
	%	7.08%	9.02%	12.53%	71.36%	100.00%
	Sub Tot	£10,195,974	£21,266,152	£52,621,392	£253,798,637	£337,882,156
	%	3.02%	6.29%	15.57%	75.11%	100.00%
Column Tots		£27,932,626	£38,521,657	£118,353,692	£281,866,234	£466,674,209
%		5.99%	8.25%	25.36%	60.40%	100.00%

The level of retention of work in West Cumbria is generally much higher for firms with a HQ in the NW region (64% retained) compared to others (19% retained). As might be anticipated, there is a negative correlation between firm size and retention of work in West Cumbria (see table 10.3).

Table 10.3 Variations in levels of leakage and retention within West Cumbria, by firm size

Respondents' total employment	Retention	Leakage	Total
Small (<50 employees)	£5,393,504 (45%)	£6,645,833 (55%)	£12,039,337 (100%)
Medium (51-250 employees)	£29,070,642 (43%)	£38,548,131 (57%)	£67,618,773 (100%)
Large (>250 employees)	£111,822,172 (29%)	£275,193,927 (71%)	£387,016,099 (100%)
Grand Total	£146,286,318 (31%)	£320,387,890 (69%)	£466,674,209 (100%)

Further analysis conducted by sector of activities show level of leakage in IT (94%), Business Services (86%) and Design (78%).