



Cumbria  
**Local Enterprise**  
Partnership

Unleashing potential through partnership



# Cumbria Rural and Visitor Economy Growth Plan 2017



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# 1. Executive summary

- 1) Much of Cumbria is rural and the performance of our rural economy is critical to the success of Cumbria. Our visitor economy, although primarily focused in our rural areas, is spread across the county and supports a substantial level of employment and economic activity. It is therefore no surprise that Cumbria LEP has as one of its four strategic priorities a *“vibrant rural and visitor economy”*.
- 2) This Growth Plan sets out the priorities for growth in our rural and visitor economies over the next 5 years based on a thorough review of the evidence base. These priorities will help underpin future investment by both the public and private sectors. Under each priority we have identified specific opportunities for growth. We want to create the environment and opportunities to attract and retain those with talent, both young and old.
- 3) At the heart of the Growth Plan is the need to maintain, enhance and build on those things that make Cumbria special: whether for the 17,000 businesses located in our rural areas or for the c. 40 million annual visitors to Cumbria. The Lake District’s attainment of World Heritage Site status in 2017 provides one such opportunity.
- 4) With Brexit around the corner in 2019, there are major uncertainties ahead for our rural areas and farmers in particular. Yet at the same time this will create opportunities to better shape the way we manage and pay for our environment and support the rural economy. Given the fundamental shifts and changes that will occur in the next few years as a result of the Brexit vote, this plan will be periodically reviewed and updated by Cumbria LEP in consultation with partners.
- 5) We need to tread a path that supports the continued quality of our special environment, whilst at the same time ensuring we generate more economic value added for our people and businesses.
- 6) The major capital projects in West Cumbria will create new supply chain opportunities across the county including our rural areas and for the visitor economy. At the same time we need to recognise and ensure we mitigate adverse local impacts.



- 7) There are important trends and drivers creating opportunities (such as international tourism and other markets), but also threats. It is also particularly important that we step up our investment in our existing tourism product to maintain and enhance our share of key markets.
- 8) The Plan identifies the importance of the LEP's cross cutting economic drivers as a pre-requisite for rural economic growth and a successful visitor economy.
- 9) An important thread running through the Growth Plan is the need to fully exploit the potential of new technologies in attracting new residents, businesses and visitors alike. Cumbria can and should become a test bed of new approaches.



### Cumbria Rural and Visitor Economy Growth Priorities (not listed in any order of importance)

Rural Economy Growth Priorities	Visitor Economy Growth Priorities
Priority 1: Maintaining and enhancing the special qualities of Cumbria's rural areas	Priority 1: Growing Cumbria's international visitors
Priority 2: Capitalise on our rural strengths: <ul style="list-style-type: none"> <li>• 2A: Exploiting our brand</li> <li>• 2B: Adding value to under-exploited rural resources</li> <li>• 2C: Deepening existing rural supply chains/clusters</li> </ul>	Priority 2: Enhancing Cumbria's adventure capital, cultural and heritage offer
Priority 3: Building a location for future businesses	Priority 3: Capitalising on opportunities from business tourism
Priority 4: Exploit the major new project opportunities for local rural supply chains	Priority 4: Continued investment in and promotion of existing attractions, accommodation and infrastructure
	Priority 5: Improving access to digital information and getting around Cumbria

Figure 1.1 Summary of Cumbria's Rural Economy Growth Plan (Note that priorities and opportunities are not listed in a hierarchical order)

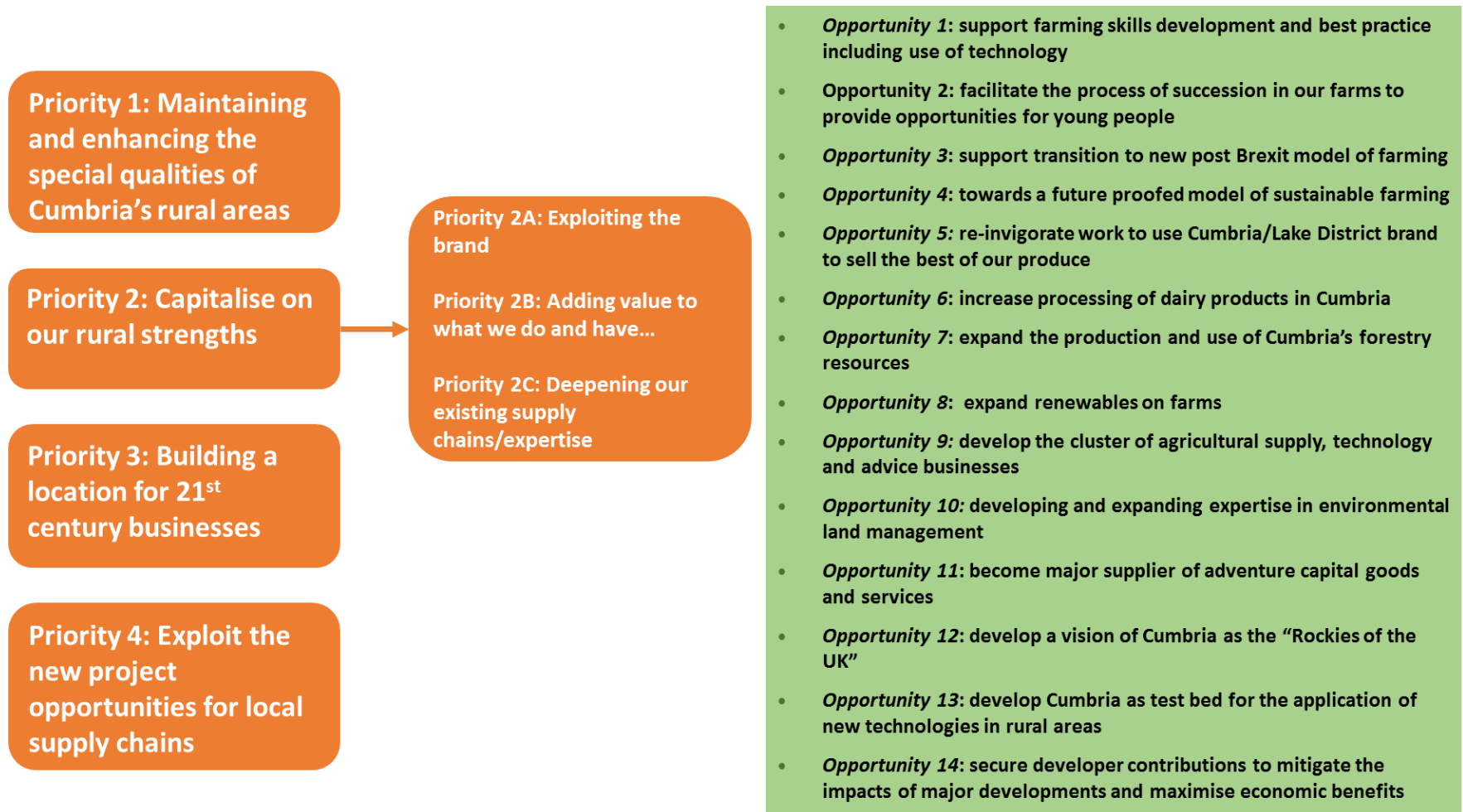




Figure 1.2 Summary of Cumbria's Visitor Economy Growth Plan (Note that priorities and opportunities are not listed in a hierarchical order)

**Priority 1: Growing Cumbria's international visitors spend**

- *Opportunity 1:* use Lake District WHS status as a story to sell the Lake District (and Cumbria)
- *Opportunity 2:* develop infrastructure, and quality and range of accommodation and attractions for international "showcase corridors"

**Priority 2: Enhancing Cumbria's "adventure capital", cultural and heritage offer**

- *Opportunity 3:* develop new adrenaline attraction and facilities / 4A explore development of an indoor regional "adrenaline" attraction
- *Opportunity 4:* enhance access to and about our lakes
- *Opportunity 5:* enhance the cycling offer across Cumbria (off road local cycle routes, long-distance cycle routes and the mountain bike)

**Priority 3: Capitalising on opportunities from business tourism**

- *Opportunity 6:* development of new and enhance existing quality food and drink linked attractions
- *Opportunity 7:* develop new communication packages and information systems for cultural and heritage experiences/trails
- *Opportunity 8:* continue to support and develop festivals and events showcasing our "adventure capital", culture and heritage
- *Opportunity 9:* invest in new or enhanced cultural facilities interpreting and developing culture and heritage

**Priority 4: Continued investment in quality and promotion of existing attractions, accommodation and infrastructure**

- *Opportunity 10:* work with large businesses in Cumbria to retain more of current and future company--related business tourism opportunities
- *Opportunity 11:* support new business focused hotel development, especially in parts of Cumbria that are underserved

**Priority 5: Improving access to digital information and getting around Cumbria**

- *Opportunity 12:* develop enhanced digital mapping and related information to experience and navigate the Lake District
- *Opportunity 13:* invest in transformational travel experiences to attract new and repeat visitors and encourage visitors to travel sustainably

## 2. Purpose of the Growth Plan

- 2.1 In March 2014, Cumbria LEP published its first Strategic Economic Plan (SEP) for Cumbria that set out four strategic priorities for Cumbria's economy. One of Cumbria's four strategic priorities was to help create a "*vibrant rural and visitor economy*"<sup>1</sup>.



- 2.2 This was identified as a strategic priority for Cumbria due to the importance of these two elements to our area and the scope to develop these parts of the economy. Across all of England's 39 LEP areas, Cumbria has the 2<sup>nd</sup> highest proportion of its population who live in rural areas<sup>2</sup>, the 2<sup>nd</sup> highest proportion of adults working in agriculture<sup>3</sup> and the 2<sup>nd</sup> highest proportion of adults working in the tourism sector<sup>4</sup>.

- 2.3 The purpose of the Rural and Visitor Economy Growth Plan is to expand on the initial thinking that lay behind the SEP and to set out future priorities for growth. It has been developed via consultations with representative organisations and a selection of rural and visitor economy businesses.

- 2.4 The Growth Plan focuses largely on the opportunities for **new growth** that could be taken forward by the public and private sectors. However, we recognise the critical importance of getting the basics right, especially in the visitor economy, to retain existing markets in a fast moving and competitive world. The Growth Plan does not have a costed Action Plan with specific projects and identified partners (although some of the opportunities identified are in fact embryonic projects). Rather, the Plan is intended to provide a framework for the public and private sectors in making future investment decisions.

<sup>1</sup> The other three being: "*advanced manufacturing growth*", "*nuclear and energy excellence*" and "*strategic connectivity of the M6 corridor*"

<sup>2</sup> The highest being Cornwall with 61.5% (2011 Census data)

<sup>3</sup> 3.1% in 2011 compared to 3.6% in The Marches

<sup>4</sup> For instance 8.6% of adults working in accommodation or food services, second only to Cornwall's 9.2% (this does not capture much of the visitor economy but is a useful proxy that can be compared across LEP areas)

- 2.5 The Growth Plan is also not intended to replicate the work being carried out elsewhere on the LEP's important cross cutting **economic drivers**, namely:
- Infrastructure improvement
  - Skills development
  - Business support, and
  - Environmental sustainability.
- 2.6 However, ensuring that Cumbria tackles some of the challenges amongst these drivers is particularly important to help unlock rural growth and to ensure the full potential of the visitor economy is realised.
- 2.7 A separate **Technical Report** is available on request that includes much of the background evidence used to inform this Growth Plan.
- 2.8 This plan does not seek to replicate the information contained in Cumbria LEPs other key strategic documents, but serves to highlight key issues and opportunities (for example skills, infrastructure) in the specific context of our visitor and rural economies.
- 2.9 Anyone wanting further information about this plan or the areas of support currently available from Cumbria Local Enterprise Partnership should get in touch via [info@cumbrialep.co.uk](mailto:info@cumbrialep.co.uk) or 01768 891555. Information is also available at [www.cumbrialep.co.uk](http://www.cumbrialep.co.uk)





### 3. Setting the scene for growth

#### Defining and measuring Cumbria's rural economy

3.1 Broadly, there are two ways Cumbria's rural economy could be defined:

- By the **location** of economic activity in Cumbria. Here the rural economy could mean almost any type of economic activity if it takes place in what is defined as a rural area (i.e. outside urban areas which are generally defined as settlements with fewer than 10,000 inhabitants<sup>5</sup>).
- By the **type** of economic activity. Rural industries have no standard definition but are typically taken to include:
  - All land based industries (farming, forestry, country pursuits, fisheries, mining and quarrying)
  - Outdoors activities and the visitor economy.

Figure 3.1 Rural and Urban Cumbria



Note: settlements with over 10,000 population shown in red

3.2 For the purposes of the Growth Plan we have taken a common sense approach and focused on the location of economic activity, but with a particular focus on activities which are traditionally seen as the core of the rural economy. Rural areas are a location for a considerable amount of Cumbria's economic activity. The majority of Cumbria's population live in its rural areas (overall 54% rising to over 70% in Allerdale and Eden). Furthermore, 16,700 local business units or 65% of the Cumbria total are located in its rural areas.

3.3 There are some stand-out sectors<sup>6</sup> which are rural based or linked to the rural areas (but where activity may also take place in urban areas) and are to some degree 'specialisms' of rural Cumbria these are:

- **Agricultural and related:** farming sits at the core of the rural economy and support a large downstream supply chain (feedstuffs, vets etc.) and upstream activity (livestock marts, cutting and processing of meat and dairy products). Nearly 12,000 people in Cumbria work in farming on a full or part time basis and the output from our farms helps sustain many parts of the rural economy both directly and indirectly. The crucial role of agriculture in continuing to shape and manage the natural environment of Cumbria also cannot be understated, nor the role of farming and farmers in providing critical social glue in our rural

<sup>5</sup> These would be in descending order of population: Carlisle, Barrow-in-Furness, Kendal, Workington, Whitehaven, Penrith, Dalton-in-Furness, Maryport and Ulverston (but would exclude places such as Bowness, Cockermouth and Keswick)

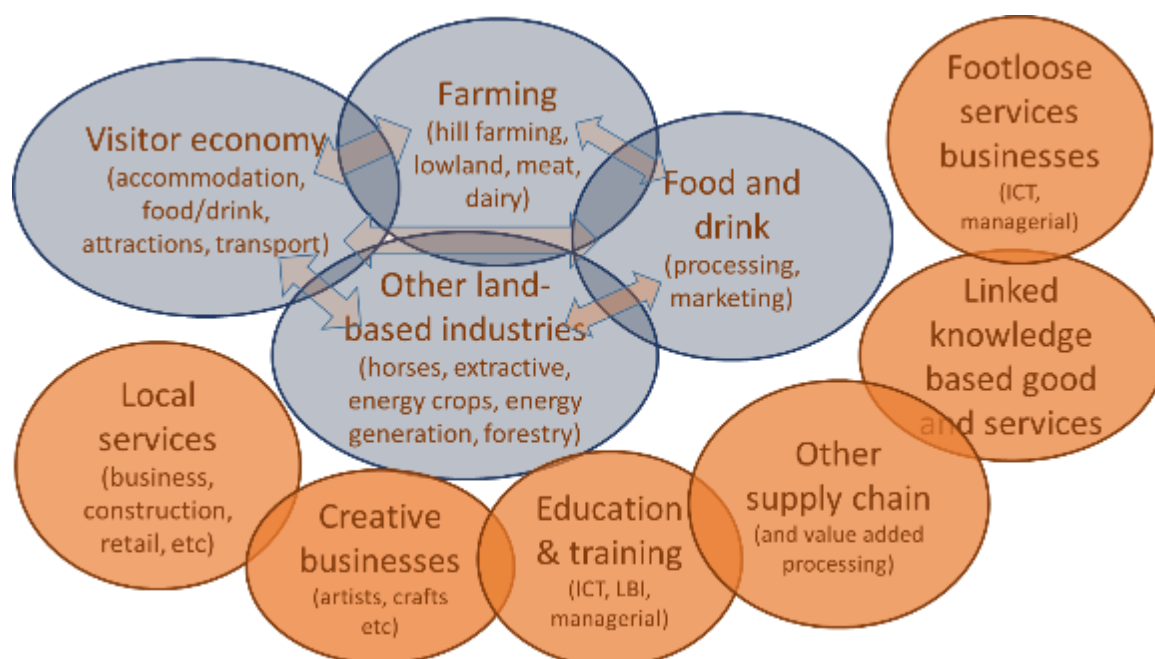
<sup>6</sup> These are covered in more detail in the Technical Report

areas. Cumbria has a particularly high concentration of upland livestock farming, but is also one of the key areas for dairy production in the UK<sup>7</sup>.

- **Forestry and related:** Cumbria is an important centre of forestry and wood products and this sector supports a significant number of local jobs
- **Food manufacturing:** particularly important in rural areas, but also located in our urban areas
- **Extractive industries:** relatively important in Cumbria (mining/quarrying/extraction ranging from slate mining to limestone quarrying)
- **Construction sector:** which has a significant presence in Cumbria's rural areas
- **The visitor economy:** is a key sector in much of Cumbria's rural economy (and is described in more detail later on), although important tourism activity also takes place in Cumbria's urban areas.

3.4 However, the important point is that in Cumbria there is often not a clear rural/urban distinction and there is a surprising range of economic activity that take place in our rural areas. Even our largest settlement, Carlisle, has an economic base that draws on and supports a wide rural hinterland. Whilst there are major industries, such as our nuclear sector, that take place outside the main urban areas. Similarly, this plan recognises that key sectors such as retail are an important part of the Cumbrian rural and visitor economies.

Figure 3.2 Indicative “map” of Cumbria's rural economy

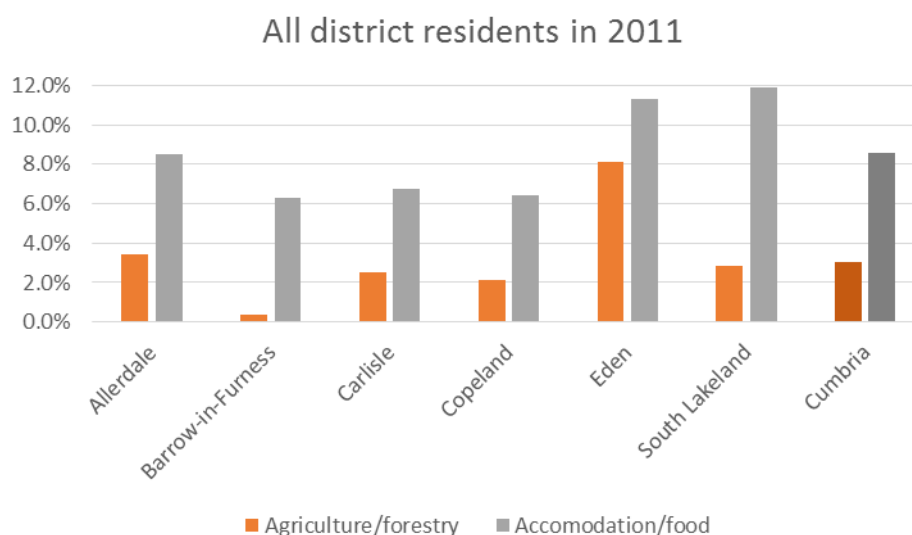


Note: intended to be indicative only. The shapes in blue are core rural economy sectors (which are all closely interlinked and concentrated in Cumbria's rural areas). The outer ring of circles represents other types of economic activity found in our rural area, some of linked to the core sectors, others linked to other markets.

<sup>7</sup> Cumbria accounts of 13% of all sheep and lamb stock in England, 10% of the dairy herd and 8% of beef cattle

- 3.5 In practice Cumbria's rural economy is not a single entity and does not function as a single economic system. The degree of rurality varies across the LEP area and because of the geography, travel to work patterns and supply chains tend to be focused separately in the west, south, north and east of the LEP area.

Figure 3.3 Importance of agricultural and tourism jobs by district in Cumbria



Source: analysis of 2011 Census. Note: % by industry of all usual residents in the district who were in work aged 16 to 74

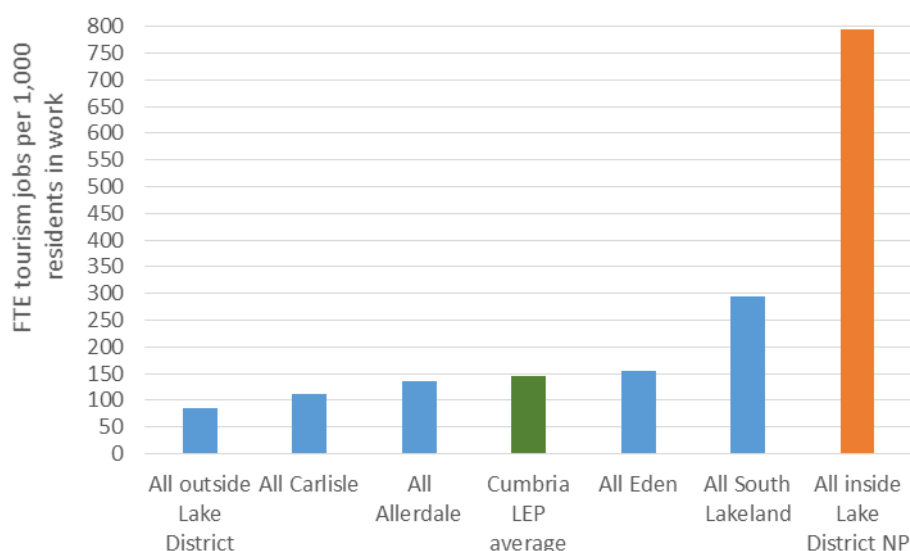
## Defining and measuring Cumbria's visitor economy

- 3.6 Cumbria, and the Lake District National Park in particular, is one of the most successful areas for tourism in the UK. Cumbria commands a significant part of England's rural tourism market share built up over decades through continual investment and upgrading in quality and range of tourism product. The visitor economy acts as a lifeline to many of the remotest areas of Cumbria.
- 3.7 The visitor economy is a broad term that is defined as that part of Cumbria's economy which is supported by the expenditure of "visitors". These are visitors staying overnight (who are usually called tourists) and those on day trips. There are different ways of measuring the value of the visitor economy and no one right way of so doing.
- 3.8 The overall "value" of tourism in 2015 as reported by Cumbria Tourism was £2.6 billion based on STEAM data. However, it is important to recognise that this is not the same as Gross Value Added (GVA). The total value of direct spend by visitors is, according to Cumbria Tourism figures, £1.95 billion (supporting 28,100 FTE jobs). This can be converted to the estimated direct GVA generated in the sectors in which the spend takes place directly. On this basis, the direct GVA supported by visitors was estimated at £890m in 2015 (£840m in 2014) with an average GVA per FTE job of £32,000.

- 3.9 To put this in context, the total GVA of Cumbria in 2014 was £10.75 billion. **Therefore estimated direct visitor economy spend supports direct GVA that is around 8% of Cumbria's total.** Taking account of indirect multiplier effects the overall contribution is more like 11% of all GVA. The share of Cumbria's jobs that are supported by direct spend alone is higher at around 12%<sup>8</sup>.
- 3.10 The visitor economy is far from evenly spread across Cumbria. Roughly half of all tourism spend occurs in the Lake District National Park area, yet this is only a small part overall of the Cumbrian economy. As Figure 3.4 shows, this means that the relative importance of tourism is highly concentrated in the Lake District where it is the fundamental part of the economy. Put it simply, tourism is roughly 9 times more important to the economy inside the Lake District National Park area as it is outside. For some time partners involved in the visitor economy have been seeking ways of encouraging visitors to spend more time and money in those parts of Cumbria outside the Lake District which are less frequented and also less congested and often more in need of an economic boost. According to STEAM data and Cumbria Tourism's records, there has been significant growth in tourism businesses, visits and related expenditure in areas outside the Lake District National Park in recent years.



Figure 3.4 Relative important of tourism across Cumbria



Source: analysis of 2011 Census and 2015 Cumbria Tourism report. Notes: (1) compares estimated FTE jobs located in an area with the residents in work living in that area; (2) no tourism data reported for Barrow or Copeland (but included in the LEP area total) and the Lake District overlaps with other districts. The data for the district includes any parts of the Lake District they may contain.

<sup>8</sup> Note this is comparing the 28,100 FTEs supported directly in 2015 with the 2016 estimate of 238,000 total employees and the self-employed in Cumbria so we are not quite comparing like with like

Where do visitors come from and what has been happening to the visitor economy sector?

3.11 There are distinct market segments that make up the visitors and their associated spend that supports the visitor economy:

- *Day visitors:* contribute about half of all spend and roughly three quarters come from the North West and the North East combined as would be expected given their proximity to Cumbria, with smaller numbers from Scotland and Yorkshire.
- *Staying UK visitors:* 50% of Cumbria's UK staying visitors come from the North of England (North West, North East and Yorkshire and the Humber). The rest of staying visitors are spread across a wide range of parts of the UK although there is a notable lower proportion of visitors from London relative to population (this is also true to a lesser extent for the South East and here there are some indications that the "penetration rate" in the South East market is falling). This is potentially an opportunity for the visitor economy, especially given the fast rate of population and economic growth in these parts of the country.
- *International visitors:* a comparison of official national data sources suggests that historically international visitors probably account for around 7% of visitor nights in Cumbria and a slightly higher share of spend. Over the last 10 years the average number of recorded international visits has been around 200,000 spending 1,300,000 nights in Cumbria and spending £70m to £80m each year.



Cumbria gets a small share of all of England's international tourism. It does relatively well in attracting German, Dutch and Scandinavian visitors, US and Antipodean visitors, but less well than might be expected with French, southern European and has had a very small share of visitors from growing Asian markets (which is also true for the whole of the North of England).

However, there is good recent evidence that international tourism in Cumbria is on the rise and this may not be fully or properly captured by the official international visitor tourism statistics for the UK<sup>9</sup>.

<sup>9</sup> The most recent data from the IPS on overseas tourism suggests a 28% increase in overseas tourism spend in 2016 compared to 2015 and the Cumbria tourism survey recorded an increase in the share of overseas visitors surveyed from 8% in 2012 to 14% in 2015.



- *Business tourism*: there is limited evidence on the scale and value of business tourism in Cumbria, however it is likely to be modest compared to other tourism segments. It consists of three market segments:
  - Business tourism in hotels/meeting venues catering for local business activity that take place in Cumbria (either now or in the future)
  - Where Cumbria is a venue for regional, national or international conferences, events, meetings – the market will be limited due to Cumbria's location except for events linked to Cumbrian strengths
  - A specific market for management development/team building activities linked to outdoors activity and the peace and contemplation of the scenery in Cumbria.
- *Visiting friends and relatives*: these are also an important source of tourism and account for a significant amount of expenditure particularly in Cumbria's in urban areas.

3.12 The trends in the real value of tourism spend over the last 10 to 15 years can be summarised as:

- Domestic tourism in real terms has **more or less flat lined** over the last decade, in common with many other predominantly rural tourism areas. The value in real terms has fluctuated around with dips due to foot and mouth, the serious flooding events in the county and due to the recession. More recently overall tourism has been recovering strongly from a low point in 2012 when it was affected by the London Olympics. The weakening of the pound since the Brexit vote in 2016 provides an opportunity as the UK residents' staycation market grows.
- With international tourism there has been little measurable change: the overall value has stayed more or less constant, but this represents a **declining share of the strongly growing market** in the UK in value terms (although broadly in line with the modest performance of the North of England). However, there are indications that Cumbria is starting to attract significant numbers of visitors from some of the new international markets in Asia.



## Future drivers: Rural Economy

- 3.13 Some of the key longer terms trends that will impact on Cumbria’s rural economy and its sectors are summarised in Table 3.1 below

Table 3.1 Future drivers impacting on the Rural Economy	
Type of change	Potential Changes
Environmental	<ul style="list-style-type: none"> <li>• Climate change and challenges (need for adaptation to flooding and impact of warming on wildlife/farming) and opportunities</li> <li>• The idea of “Natural Capital” and the potential for a shift in accounting and dealing with natural capital in government policy</li> </ul>
Energy	<ul style="list-style-type: none"> <li>• Long term legally binding targets for UK CO2 reduction and consequent need for change in energy mix</li> <li>• Move to wider range of technologies to provide lower or zero carbon emitting energy (batteries/storage, renewables, nuclear etc.)</li> </ul>
Technological (1)	<ul style="list-style-type: none"> <li>• Growth of internet based services for consumers and businesses (and so need for connectivity)</li> <li>• Creates opportunities to level the accessibility playing field, but also threats as businesses/consumers/visitors need and demand more broadband/connectivity</li> </ul>
Technological (2)	<ul style="list-style-type: none"> <li>• Impact of technology on “Smart” farming and forestry. ‘Internet of things’, use of drone and mapping technology to inform production techniques</li> <li>• Genetic biotech/gene-editing technologies</li> <li>• Precision farming optimising nutrition and preventive health</li> </ul>
Population in Cumbria	<ul style="list-style-type: none"> <li>• Shrinking working age population coupled with increased pressure from major new projects and developments creating a squeeze on labour availability</li> </ul>
Population and economic growth	<ul style="list-style-type: none"> <li>• Forecast national population growth increasing size of UK domestic market, but also globally population and real income growth increasing demand for food</li> </ul>
Population ageing	<ul style="list-style-type: none"> <li>• A more elderly economy (due to migration) in rural areas</li> </ul>
Transport and travel	<ul style="list-style-type: none"> <li>• Development of more high speed train services, continued growth in car travel</li> <li>• Shift to low carbon/electric cars/vehicles</li> </ul>



## Future drivers: Visitor Economy

- 3.14 Some of the key longer terms trends that will impact on Cumbria’s visitor economy and its sectors are summarised in Table 3.1 below.

Table 3.2 Future drivers impacting on the Visitor Economy	
Type of change	Potential Changes
Population change	<ul style="list-style-type: none"> <li>• UK economic and population growth concentrated in London and the South East where Cumbria’s market penetration is low</li> <li>• UK population change is leading to an increasingly ageing population. This may be helpful in the short to medium term as Cumbria’s market penetration is considerably higher in the 45 plus age group.</li> <li>• However, it raises a longer term concern as the current younger generations age and if there has been a loss of the “habit” of coming to the Lakes/Cumbria amongst younger people now that is reflected in a falling future propensity to visit.</li> </ul>
Consumption patterns	<ul style="list-style-type: none"> <li>• Rise of the independent traveller – designing and booking holidays on their own</li> <li>• Shift to demand for shorter, flexible breaks for “time poor” consumers</li> <li>• Desire for simplicity – as a response to greater choice including interest in “digital detox”</li> <li>• Increased importance of family trips and the idea of the more complex and at times “vertical family” so with need for range of activities to suit all ages and abilities</li> <li>• Increased expectations of quality, yet search for “value”</li> <li>• Desire for ‘memorable experiences’: individualised/bespoke curated activities</li> <li>• Increased importance of health, well-being (and so outdoor activities)</li> </ul>
International visitors	<ul style="list-style-type: none"> <li>• Continued growth overall in international tourism with strong growth in emerging Asian markets, but continued overall dominance of traditional markets (Visit England’s core target markets remain France, Germany, Spain, Italy, Netherlands, the Nordics, Australia, USA and China)</li> <li>• Difficulties of persuading overseas visitors to travel outside London</li> <li>• But, as a contrast to London, the potential attractiveness of experience/ themes of “remote area” (dramatic landscape, castles, romantic legends) and “rural area” (countryside / coastal walking, traditional pubs, markets) both figured strongly (and are potentially very relevant to Cumbria/Lake District)</li> <li>• Importance of actual and perceived access by train and other public transport for visitors</li> </ul>
Technological	<ul style="list-style-type: none"> <li>• Increased role of internet/mobile based means of finding out information about place and booking holidays (for international visitors and younger visitors)</li> <li>• Impact of disruptive or sharing technologies (Airbnb, Uber etc.) on traditional patterns of holiday marketing and purchasing</li> <li>• Increased expectations that visitors will be able to access and use mobile internet and apps to navigate, to book spontaneously and to share their experiences in real time</li> </ul>

## Implications of Brexit

- 3.15 The vote in June 2016 to leave the EU (i.e. Brexit) has created a great deal of uncertainty about many things affecting Cumbria, especially its important agricultural sector. The future funding, legislative and trading environment for farming (and other sectors) is very uncertain, containing both opportunities and threats. The issues and challenges and, in some instances, opportunities are:

- **Trade:** export markets (the EU especially) are very important for parts of Cumbria's agricultural/food manufacturing sector (and indeed any other export orientated firms/sectors); especially for livestock particularly sheep. It now appears highly likely the UK will not remain in the Single Market. There is a possibility that some Cumbrian farmers will face new tariff barriers for export.
- **Financial support (farming):** currently farm support payments make up a very important source of many farmers' income<sup>10</sup>, and help ensure that important land management and environmental services are delivered. It is not clear at present what will replace these nor what transitional arrangements there will be from 2020 onward.
- **Financial support (other):** the Cumbria LEP area has benefitted or will benefit from £87m of ERDF, ESF and EAFRD monies from the European Structural and Investment Funds (ESIF) allocated over a 7 year period 2014 to 2020. Cumbria also has the 2 largest LEADER programmes in England. Whether these will be replaced by domestic programmes and a similar level covering similar activities and if so in what form is subject to uncertainty.

Figure 3.5 Total EU funding for agriculture and rural areas in Cumbria

It is difficult to measure precisely the total value of all payments, but millions of pounds a year in various grants and payments are made to farmers and other landowners in Cumbria. To put this into context the total recorded Gross Value Added for all agriculture, forestry and fisheries Cumbria in 2014 was around £220m. The recorded EU payments made to farmers in 2015 was of the order of £100m<sup>11</sup>.

- **Legislation and regulation:** currently many of the regulations that impact on animal husbandry, health, welfare and the environment are Single Market wide, but arguably applied with particular rigour in the UK. Meeting these regulations will continue to be necessary to export into the EU. Similar issues apply to access to the Single Market for food manufacturers.
- **Labour/migration:** parts of rural Cumbria are already at or exceed full employment with no spare capacity in the labour market. Access to migrant labour from the EU and elsewhere has been particularly important to the tourism sector in the Lake District but is also true for many other rural businesses. There is considerable uncertainty over future access to staff across a wide range of sectors and occupations.

3.16 It is clear that Cumbrian businesses, especially farm businesses, will have to adapt and deal with impact of big decisions that will be decided many miles away from Cumbria. There is going to be a considerable period of turbulence and uncertainty especially in the agricultural sector that will impact on the ability to make investment decisions. However, **there is scope for Cumbria to influence the nature of post-Brexit domestic support regimes**, especially those focused on upland farming - where Cumbria represents one of the key locations in the UK.

<sup>10</sup> The relative importance varies but payments can, for instance, account for 30% or more of total farm incomes for hill farms in less favoured areas and a much higher share of profit/farm business income

<sup>11</sup> Based on the Defra CAP payments search database and all CA postcodes and all LA postcodes less LA1 to LA5 (which approximates to Cumbria)



## 4. Key enabling requirements

- 4.1 The LEP supports four **key economic drivers** that are cross-cutting across sectors. The work on this Growth Plan has identified particular issues under these drivers.

### Infrastructure improvements

- 4.2 Arguably the single biggest infrastructure issue across rural Cumbria is that of **communications connectivity**: whether access to broadband, basic mobile signal or to 4G (and in the future 5G) telecommunications. The Connecting Cumbria programme led by Cumbria County Council in partnership with BT, with part funding from ERDF has made good progress in enabling local exchanges and introducing superfast broadband to many smaller villages in Cumbria, however, there is still some way to go especially to serve more isolated rural areas.
- 4.3 As the world changes the need for good connectivity has and will increasingly become an essential for many aspects of operating even the smallest business. Rural businesses in particular may find themselves disadvantaged in basic services (which increasingly will be accessed via the “cloud”) and in accessing markets/customers. Farmers are now expected to complete payment returns on-line with more and more aspects of agricultural business relying on access to a good internet connection.
- 4.4 Access to broadband in accommodation is also important in the visitor economy. A critical issue that will grow in importance is the poor mobile and so 4G (and future 5G) coverage in many parts of rural Cumbria a factor that increasingly will impact on the visitor experience and expectations.
- 4.5 Transport is a key factor for the visitor economy and for some other rural businesses. Public transport access into and inside the county is of particular importance to international visitors and those traveling from the London/South East and other urban centres and gateways such as Manchester. The use of weekends for rail network upgrade and repair work hinders access to Cumbria for weekend breaks, especially for those travelling from London.
- 4.6 The points of arrival by train are especially important gateways for our overseas visitors. The network of footpaths and, increasingly, cycle-ways are key but often neglected parts of the infrastructure. Investment in cycleway and footpaths is both an important part of our infrastructure to enable people to be less dependent on their cars, but also are part of the visitor experience and offer. Key issues have been identified in the **SEE MORE** travel planning studies and emerging sustainable travel programmes need to be further developed.
- 4.7 Our Infrastructure Plan (<http://www.cumbrialep.co.uk/cumbria-infrastructure-plan/>) provides a wider context and sets out key strategic requirements that are needed to help unlock economic growth.





## Skills development<sup>12</sup>

4.8 In Cumbria generally many employers and employees face challenges in attracting and/or developing more **specialist skills**. In relation to the development of new sectors especially in the technology sector, skills is a fundamental challenge for existing businesses as the labour markets are small and fragmented and so offers a “thin” selection of existing staff. This can discourage new employers for setting up and attempting to grow, perpetuating the current position.

4.9 Factors such as a limited supply of labour, a shortage of affordable housing in some localities, seasonality and transport to work issues associated with distances between settlements all contribute to many employers across the rural and visitor economies struggling to fill vacant positions.



4.10 Key specific rural and visitor economy skills issues include:

- Challenges around travel to work and **travel to learn** (the distance to training centres for those on day release/apprenticeships and lack of public transport links for young people to training facilities outside urban areas) due to geographic dispersal of the business base.
- Agricultural employers identify the challenge of an **ageing workforce**, which is also an issue in other sectors, and the difficulties they face in attracting young people to work in their industry. There are **succession** issues looming in many farming businesses.
- In the visitor economy, businesses of all sizes find it very difficult to recruit and retain good **quality kitchen staff**, front-of-house staff and, in particular, chefs (with low entry wages, travel to work issues and affordable housing also issues).
- Small/micro businesses in the visitor economy often suffer from a lack of specialist skills amongst business owners including strategic and tactical (digital) marketing skills.

4.11 Post-Brexit there could be large challenges for many rural and visitor economy businesses in finding workers and **replacing EU workers**, especially outside the larger settlements and where housing costs are high. This is coupled with the falling working age population across Cumbria and the pressure on skills from other parts of the economy. A **serious squeeze on skills at all levels** in our rural economy is on the horizon. In parts of our rural areas the inability to access affordable housing can and will exacerbate this problem.

4.12 Our Skills Investment Plan and related evidence base (<http://www.cumbrialep.co.uk/what-we-do/cumbria-skills-plan/>) provides further information and context to issues across the visitor and rural economies.

<sup>12</sup> More detail on skills issues is contained in the LEP’s evidence base, in our Skills Investment Plan and in the technical annexes to our 4 Economic Drivers

## Business support

4.13 Many small firms face challenges in growing or sustaining their businesses. They tend to have a small management team with limited specialist expertise. It is also difficult to know where and how to access good quality advice and support. Business support can be provided by the private sector without any public sector intervention, and indeed Cumbria has a range of excellent business advisory firms, it can also be supported directly or indirectly by the public sector. Business support covers a range of areas including:

- Generic business advice (for instance diagnosing business challenges and developing business plans)
- Advice on where and how to access funding
- Specialist advice on exporting, sales, marketing, IT, people development and improving products and processes
- Funding for businesses.



4.14 Rural businesses face most of the same business development issues and opportunities that businesses of similar sizes in similar sectors face in Cumbria.

Although typically their smaller size and their geographical isolation from some services are different. The relatively small local markets for many rural businesses also mean that sales and marketing support to access national and international markets can remove the local market size constraints.

4.15 The Cumbria Business Growth Hub, including specialised start-up support, is managed by the Chamber of Commerce in partnership with others. The Growth Hub supports both rural and more urban businesses throughout the county with business support, networking and other services. The Growth Hub<sup>13</sup> is partly funded via ERDF, partly by Cumbria Chamber of Commerce, partly by Cumbria LEP, partly by universities, partly by our local authorities and partly by businesses themselves.

4.16 As businesses change the way they access services, the previous network of on-the-ground physical business support hubs has diminished in Cumbria. A few of these rural hubs still remain however, and Cumbria Chamber of Commerce operates the Growth Hub with significant on-line delivery ensuring business support is available to rural businesses where and when needed. The Chamber also supports some sector-based networks, the 'Made in Cumbria' network and an on-line market place.

<sup>13</sup> Other projects operate under the Growth Hub brand such as the Cumbria Manufacturing Service and export support from the Department for International Trade works with and through the Growth Hub



- 4.17 The current structure and focus on business support has been heavily influenced by the availability of and constraints of different EU funding streams, largely because these have been the main source of public sector funding for business support (but have created constraints in terms of the sectors that can be supported or not). In the future, assuming that there are post-Brexit domestic programmes, there is an opportunity to design this to more fully meet the needs of Cumbria's rural economy and visitor economy. This may take a variety of forms including the move towards a more commercialised approach.
- 4.18 Cumbria Tourism is a major tourism industry organisation whose objective is to raise the awareness of Cumbria and to help grow tourism business in Cumbria. It provides marketing services, training and sector research and intelligence. Support for many events and festivals, which often attract visitors, is provided by the Local Authorities and initiatives funded by Government grants via the Arts Council, Heritage Lottery Fund, EU and Coastal Community Funds.

### **Environmental sustainability**

- 4.19 This driver is of course intimately related to and particularly important for the rural economy and visitor economy. We explore its critical implications in the following section. Cumbria is blessed with what is sometimes called "natural capital": our landscape, coast and marine area, water resources, our woodland and peat bogs (as carbon captures) and our biodiversity. Value is placed upon these "assets" - such as land, forests, soil, water, minerals and oceans - within our environment.
- 4.20 The state of our natural capital matters, not just because people enjoy the aesthetic elements of landscapes and wildlife of Cumbria, but because of the wide-ranging economic benefits that natural assets provide when managed well. These basic services are threatened by population growth and the increasing need for housing, food, energy, and minerals. The core of our approach is to maintain and enhance these assets, whilst supporting sustainable and low carbon economic growth. Indeed, enhancing Cumbria's natural capital may, in the future, secure new investment and opportunities in the area.



## 5. What will create future opportunities?

- 5.1 We have considered some of the features of Cumbria that are creating and will create opportunities for economic growth and to help sustain incomes in the future in our rural areas and in our visitor economy businesses.

### 1. The quality of Cumbria's environment

- 5.2 The environment of Cumbria is varied, from the central fells of the Lake District, to the fertile grassland of the Eden Valley, the spectacular Cumbrian Coast and the remote uplands of the north Pennines. The environment of Cumbria is a result of several thousand years of interaction between man and the environment.
- 5.3 As a result the landscape is second to none in the UK. Cumbria has all of one and part of another National Park, three AONBs covering other parts the county (Solway Coast, North Pennines and parts of Morecambe Bay) and Hadrian's Wall World Heritage Site which has global recognition (and is a backdrop to many films and TV series) alongside a spectacular coastal and marine area.
- 5.4 Much of Cumbria is excellent cycling country and the nationally renowned **long distance Coast to Coast cycle route (C2C)** starts in Cumbria with five others (Reivers, Walney to Wear and Hadrian's Cycleway, Morecambe Bay Cycleway and the re-branded Lakes and Dales Loop) passing through the County. Many **long distance footpaths** pass through Cumbria including the Coast to Coast (which starts at St. Bees), Pennine Way, Dales Way, Cumbria Way and Hadrian's Wall) and parts of the coast have now been opened to the England Coastal Path (Whitehaven to Silecroft). Many parts of Cumbria score well in terms of peace, tranquillity and the idea of "dark skies"<sup>14</sup>.
- 5.5 There are a number of more adrenaline focused **adventure sports** in Cumbria from rock climbing, to sailing, mountain biking and canoeing. Increasingly there are many specialist niche activities e.g. fell running/wild and open water swimming that are growing taking advantage of Cumbria's natural assets.
- 5.6 The Lake District is the most visited national park and generates the largest tourism spend of any national park in England and Wales. It has a special place in literature and the history of the outdoors. It is a widely known and loved national brand that has some international recognition. It has a long history of tourism and key strengths in its literary and cultural associations and links back to the origins of many outdoor activities and pursuits (one of the founding areas for rock climbing for instance). Its walks and Lakeland scenery are amongst the best known in the UK.
- 5.7 The designation of the **Lake District as a World Heritage Site** in 2017 will further raise the profile nationally and internationally and provide an opportunity to re-fresh the Lake District's and Cumbria's brand well beyond tourism. The recent extension of both the Lake District and Yorkshire Dales National Parks in Cumbria also is something to be celebrated and used as a marketing tool, as is the fact that Cumbria now has two World Heritage Sites in very close proximity.
- 5.8 The environment is naturally seen as a key element of Cumbria's tourist offer. It is also an exceptional environment in which to live; and this has and can help attract people to live here in Cumbria which is important given the general challenges of recruiting workers to the county. Cumbria is a **great place to live** for those who like access to outdoor recreation/challenge and

<sup>14</sup> <http://www.cpre.org.uk/media-centre/latest-news-releases/item/4314-new-interactive-maps-reveal-england-s-darkest-and-most-light-polluted-skies>

tends to attract many people with that background<sup>15</sup>. This is certainly true for those wishing to retire or semi-retire to the area. However, it also can be true for people with specialist skills and younger people attracted to the outdoors. Although Cumbria is often perceived as remote, in reality with the flexibility from 21<sup>st</sup> Century technology and also the direct train services to major cities (London, Edinburgh, Glasgow and Manchester) accessibility is far better than often appreciated. The south eastern part of Cumbria is almost in the travel to work orbit of Manchester at the centre of the Northern Powerhouse.

- 5.9 The environment also includes the built environment and it vitally important that Cumbria's towns and villages are attractive places and welcoming to visitors. In some places, significant progress has been made in improving the public realm and facilities for visitors, but more is needed.

## 2. Our culture and heritage, and wide range of places to stay.

- 5.10 Cumbria has some of the most visited tourism attractions in England outside London including the Lakes steamers and a good range of **museums, galleries and historic buildings** both inside and outside the National Parks. There has been and continues to be significant investment in visitor attractions and facilities such as the Wordsworth Museum, the Rosehill Theatre in Whitehaven, the Theatre by the Lakes, Keswick Museum and the Windermere Jetty Museum.
- 5.11 There are a wide range of heritage, history and cultural themes in Cumbria ranging from: the last outpost of the Roman empire at Hadrian's Wall, the Borderlands - skirmishes and battles between England and Scotland, ruined castles and historic houses, the literary connections with the Romantic Poets, Beatrix Potter and John Ruskin, landscape painting, the Arts and Craft movement, industrial heritage (slate and coal mining), railway heritage, Westmorland and Cumberland history and culture, including the classic country shows. Cumbria also has a rich maritime heritage encompassing shipbuilding, historic trade links and the famous White Star Line. Appleby was recently announced as a successful bidder to become a Heritage Action Zone (with funding from Historic England).
- 5.12 There is a wide range of **visitor accommodation** from camp sites, lodges and B&Bs through to high end luxury hotels (although these tend to be concentrated in the South Lakes area) and a similar range of food and drink establishments (from several Michelin starred eateries to traditional country pubs). There is continual investment in the hotel stock to upgrade it and in new forms of accommodation (yurts, eco-lodges, tee pees, pods etc.). The extensive range and choice of high quality accommodation is a key driver of visits and the major contributor to destination marketing for the County.
- 5.13 Cumbria has developed a range of cultural and sporting **events and festivals** that attract visitors or enhance the visitor experience including: literary festivals, the Kendal and Keswick Mountain Festivals, arts festivals (including C-Art) and food and drink festivals. The Cumbria Tourism themes for visiting Cumbria are focused around three strands:
- **Adventure:** the Lake District as the *"adventure capital of the UK"* with the best *"natural outdoor terrain in the UK for adventure activities"* - walking, climbing, cycling, swimming, kayaking, sailing, off-road and extreme sports
  - **Taste:** the food and drink offer as a *"food lover's must-visit destination"* and showcasing locally sourced and produced food and drink

<sup>15</sup> Although there can be a down side as, in some cases, employers have expressed concerns that this may attract workers who are less work focused than might be ideal



- **Culture:** places to visit such as historic houses and castles, museums, art galleries, multi-arts centres (e.g. the Brewery Arts Centre in Kendal) theatres and events/festivals (such as Potfest).

- 5.14 Music festivals such as Kendal Calling and the Maryport Blues Festival also attract a large number of visitors.
- 5.15 Cumbria has been successful in bidding for funding to promote arts and culture across the County, presenting an opportunity to build on work already underway. For example, The Great Place Programme sets out a vision where ***'a sustainable, resilient, creative community and economy exists, celebrating the distinctiveness of place, our landscapes, the skill and experience of creative people and a good quality of life, which in turn will retain and attract younger people to our districts to influence, support and create our future economy.'*** Cumbria's globally unique cultural landscape and growing creative industries sector offer significant opportunities for further growth.
- 5.16 Lakes Culture is a Cultural Destinations initiative promoting the Lake District as the UK's leading rural cultural destination working with the tourism and cultural sectors in partnership with Cumbria Tourism<sup>16</sup>. We need to build on the good work already undertaken and further strengthen Cumbria's position as a destination for cultural tourism.

### 3. Our natural resources and access to natural resources

- 5.17 The climate makes the area ideal for **livestock and dairy farming** and Cumbria is one of the UK's main centres for sheep, beef and dairy farming. It also is well located to other major areas of livestock and dairy production (South West Scotland, Lancashire and the North East).
- 5.18 Cumbria has significant **woodland resources** itself and is located centrally in terms of access to timber resources viewed in a wider UK context (proximity to timber resources of south Scotland, the North East as well as Cumbria itself).
- 5.19 The coastal environment supports a number of jobs in **fishing and related industries** where supply chains could be further developed.
- 5.20 The climate and topography of Cumbria creates an important **water resource** that serves providing high quality water for the 7 million inhabitants of the North West. Although, as we know all too well in Cumbria, the weather and climate can and does create its own challenges when excessive rainfall leads to flooding as it has several times over the last 10 years.
- 5.21 Recent developments and methods to place an economic value on natural resources (natural capital) and the services it provide to people and the economy may offer a significant opportunity for Cumbria. For example, we have seen pilot Carbon Brokering projects where the private sector has invested in woodland creation and peatbog restoration to store carbon.

### 4. Existing expertise and clusters of successful businesses

- 5.22 The history of economic activity in rural Cumbria coupled with its natural resources and the ingenuity of its businesses has created some strong clusters of businesses with good strength and breadth of expertise particularly in:
- A. Food production and value added manufacturing (from small scale artisan level to major manufacturing plants)

<sup>16</sup> Great Place: Crossing the Watersheds is a £1.3m scheme in South Lakeland/Craven in Yorkshire which aims to retain and attract younger people and business to the area by developing more creative and cultural opportunities, it is funded by The Great Place Scheme, using funds raised by the National Lottery and is being piloted in 16 locations across England

- B. Outdoor activities – both recreational and educational
- C. Forestry and forestry products
- D. Niche manufacturing activities linked in part to the outdoor sector
- E. Innovative and traditional building material (slate to wool).
- F. Creative Industries

5.23 Our rural area of course has a thriving and diverse visitor economy sector that also extends to our towns and city. In Cumbria's urban centres, there is also a wide range of accommodation, visitor attractions and specialist food and beverage providers. There are strong links between the tourism sector and other rural sectors especially food and drink manufacture.

## **5. The high rate of self-employment and entrepreneurial activity and multi-skilled nature of much of its workforce**

5.24 As noted earlier, outside its core sectors Cumbria's rural areas do not have "deep" labour markets with many people with specialist skills unlike large urban areas elsewhere in the UK. However, two important features of the residents of Cumbria are:

- High rates of entrepreneurial activity: many people run small businesses and the rate of business start-up is high. This is a common feature of many rural areas.
- Many people have more than one job (although both may be relatively poorly paid) and are multi-skilled and similarly there are many examples of successful farm diversification.

5.25 This means that there is a good network of professional service providers used to supporting small businesses and many informal networks for those seeking advice.

## **6. In-migration of highly experienced, skilled and often wealthy people**

5.26 Many parts of Cumbria are noticeable in terms of the level of retirees seeking the quality of the environment, this does in part create problems of housing affordability especially in the Lake District and such retirees/incomers are often seen as "anti-development". However, in part as a consequence Cumbria's rural areas have very strong civic society<sup>17</sup>. This might be seen as less relevant for the economy. However, Cumbria and its rural areas has a stock of individuals with considerable professional and business expertise that is significantly greater than represented by the actual levels and types of paid employment. This is a resource that could be capitalised upon (for instance by business mentoring networks and direct involvement in new business start-ups<sup>18</sup>). If opportunities for flexible, part time work across the visitor economy in particular could be more effectively marketed then it could help ease labour supply issues in some cases.

## **7. Transport and infrastructure improvements**

5.27 Progress on digital connectivity is vital. The improved roll-out of superfast broadband to more settlements and more accommodation enabling digital connectivity has been a positive step recently. However, much more still needs to be done and the improvement is as much keeping up with the game elsewhere as a relative improvement as business needs for high speed connectivity grow. In addition, 3G and 4G coverage is very patchy across the county, especially in our rural areas.

<sup>17</sup> Memberships of clubs, association, voluntary sector organisations

<sup>18</sup> Adding to the existing business start-up and support networks and programmes already in the county

- 5.28 In the longer term the road access along the A66 eastwards to Scotch Corner (and so accessibility by car to the eastern side of England and the north of Cumbria) will be improved. There are also potential improvements to rail service from Manchester Airport to Windermere (electrification) and east west from Newcastle to Carlisle and then down the West Coast that will improve rail accessibility to some degree. Works are also planned to improve Carlisle station. Investment in new cycle and walking infrastructure will improve our visitor offer as well as contribute to sustainable transport in the area. Cumbria LEP's **Infrastructure Plan** and **West of the M6** transport study detail a number of projects that will improve transport flows and connections.
- 5.29 New technologies are transforming and disrupting traditional models of transport and travel. There is an opportunity for Cumbria to be at the frontiers of this to benefit the rural and visitor economy and actively seek new investment in this space as an ideal local to accelerate new technologies and approaches to market. This may include driverless (or autonomous) vehicles, electric vehicles, tech based solutions to travel and parking information. Significant work has been completed as part the **SEE MORE** project looking at travel planning within key Cumbrian travel corridors. For example, electric cars have been provided at key visitor gateways. This work provides a basis for future investment in a number of sustainable infrastructure and travel-flow projects.
- 5.30 The increasing number and range of international flights to Manchester is a significant opportunity, especially with the direct rail links to Cumbria where service frequency will be increasing. The recent investment in and opening of direct services to **Carlisle Airport** (to London and potentially Dublin and other hub airports) may introduce better air access to certainly the northern part of Cumbria.

## 8. The development of large scale construction and civil engineering projects

- 5.31 Over the next 10 to 20 years the scale of construction activity in and around West Cumbria will produce an enormous range of potential demand/opportunities for the economy, some of which will impact on rural areas and businesses and on the visitor economy of Cumbria. The associated supply chain and workforce/accommodation requirements will create significant opportunities for people and businesses in Cumbria's rural areas ranging from business tourism (new hotel bedrooms and meeting facilities) to the food and drink sector (in catering for the construction workforce).
- 5.32 However, there could be localised adverse environmental and economic effects. It is important that policies and programmes are put in place to mitigate these and also help local rural and visitor economy businesses capitalise on the opportunities
- 5.33 The construction activity will create adverse localised environmental and economic challenges in rural areas (traffic problems, landscape effects etc. and potential "crowding out" of businesses in terms of labour supply).

## 6. Growth priorities for the Rural Economy

6.1 At a national level Defra has strategic priorities for the future which include:

- a cleaner, healthier environment, benefiting people and the economy
- a world-leading food and farming industry, and
- a thriving rural economy, contributing to national prosperity and wellbeing<sup>19</sup>.

6.2 Our priorities for the Rural Growth Plan are entirely consistent with and support these Government aspirations.

### Principles

6.3 In deriving the growth priorities the principles used are as follows:

- 1) The importance of **maintaining what is special** about Cumbria's rural areas - its landscape, culture and environment (in other words its natural and social capital) – in the face of uncertainty about future drivers and influences
- 2) Improve **incomes from existing rural activities** that support the environment to make them more economically sustainable
- 3) Diversify and build in **resilience** across the rural economy – recent shocks such as the major flooding events and past shocks such as Foot and Mouth have shown the vulnerability of the economy in key sectors
- 4) **Add value** to what Cumbria already has and does
- 5) Seek **better employment/business opportunities** - there is not generally a deficit of jobs/opportunities in rural Cumbria but rather of well-paid jobs
- 6) Be as **future-facing** as possible to identify opportunities from new trends and dynamics (especially linked to technology).

6.4 Although this Growth Plan has identified some market opportunities, there is a need to focus on and continuously assess growth market priorities. Businesses need to ensure that products are developed to meet market needs, and that Cumbria's brands/products are communicated through creative marketing and adoption of new technologies.

6.5 The LEP recognises the need to balance between the truly aspirational and the achievable. At one level our rural economy faces some really substantial challenges: pressure on the already limited supply of labour at all skill levels and the uncertainties of Brexit. This means to retain what we already have and sustain existing activity is in itself a challenge. The biggest single challenge faced by our rural businesses is access to skills: both in attracting talent in to rural Cumbria, but also in stemming our brain drain of talented younger people leaving. We have not developed a separate and new vision for Cumbria's rural economy in the Growth Plan as there is already a LEP-wide

<sup>19</sup> In January 2017, the then Secretary of State for Defra described the government's long term ambitions as: (1) to make a resounding success of our world-leading food and farming industry; producing more, selling more, and exporting more of our Great British food; and (2) to become the first generation to leave the environment in a better state than we found it.

vision<sup>20</sup>. Nevertheless partners clearly have a view on what success might feel like and it would be something like this...

**A successful Cumbria rural economy would create the range and quality of opportunities to act as magnet for new talent and to retain our brightest and best.**

- 6.6 The priorities that follow tend to be focused on those parts of the rural economy that are most obviously “rural” and linked to agriculture/land-based industries and the visitor economy. We recognise that in practice there are a very wide range of rural-based firms that face generic business issues addressed in Section 4 on key enabling requirements. Many of these businesses and sector will provide and deliver growth based on entrepreneurial spirit and talent. The range of business support that addresses Cumbria’s rural and urban areas is relevant here but is not addressed below. Please note that the priorities and opportunities are not listed in any order of importance.

## Priority 1: Maintaining and enhancing the special qualities of Cumbria

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- 6.7 It is vital to retain and/or enhance the “raw materials” of what makes Cumbria special: its landscape, farming and the environment and the cultural and social consequences of this activity. This is critical to its long term success and a key differentiator from other parts of the UK and is, arguably, unique globally.
- 6.8 We need to build on the existing expertise in livestock breeding and role of Cumbria in the UK production system. There are opportunities to harness and grow the expertise in the University of Cumbria and Newton Rigg College and our local businesses to apply R&D in breeding technology with sheep and cattle producers to help optimise productivity.
- 6.9 There is a need for a sustainable future for farming across Cumbria, in particular but not exclusively upland farming in the National Parks, AONBs and other areas. **This should be a priority at a UK level.** Cumbria must feature heavily in the UK Government/Defra thinking post-Brexit.
- 6.10 The challenges also can be seen as presenting opportunities:
- **Opportunity 1:** support **farming skills development and spread best practice** including advanced use of technology and breeding techniques to equip farmers for these challenges
  - **Opportunity 2:** facilitate the **process of succession planning** in our farms (both tenanted and owner occupied) to provide opportunities for young people
  - **Opportunity 3:** support **transition to new post Brexit** model of farming
  - **Opportunity 4:** develop a **future proofed model of sustainable farming.**
- 6.11 It is important that this debate does not take place in separate silos of farming, environment, and rural development but across the piece. We need to build on the experience from the current Defra Pioneer project<sup>21</sup> in Cumbria looking at new approaches to managing and funding the environment

<sup>20</sup> The vision in the 2014 Cumbria Strategic Economic Plan is for the LEP areas “to have one of the fastest growing economies in the UK, in an energised and healthy environment”

<sup>21</sup> Cumbria is one of four pioneer test areas in England looking at ways of applying the natural capital approach, based upon catchments/ landscapes as the basic building blocks, The four aims of the pioneer are: (1) to test new tools and methods as part of applying a natural capital approach in practice; (2). To demonstrate a joined-up, integrated approach to delivery; (3) to pioneer and ‘scale-up’ the use of new funding opportunities (e.g. visitor giving); and (4) grow the understanding of ‘what works’,



and landscape. Integrated documents such as the respective AONB Management plans and Coastal Community Team economic plans set out key priorities and actions for local areas and should help guide land management and investment decisions.

Figure 6.1 Priority Action 1: Towards a sustainable post-Brexit model for rural areas

Cumbria should provide the **test bed/exemplar** for new locally designed and delivered rural/agricultural development programmes that ensure economic, environmental, social and cultural benefits. There could be one or more programmes in different parts of Cumbria [perhaps the hill farming focused in the Lake District National Park, one covering the eastern fells and for a mixed diary/livestock lowland part of Cumbria]. Partners' thinking is still evolving but a locally based model could cover:

- Farm level diversification
- An integrated approach to rural economic, environmental and social issues
- Ensuring existing sustainable and best practice animal husbandry and welfare continues
- Payments for delivery of eco-system services to sustain and improve Natural Capital
- Consideration of a range of levers, so covering funding, regulation, taxation etc.

Partners could include the LEP, farmers groups, Natural England, local authorities, the National Parks, the National Trust and existing LEADER groups.

## Priority 2: Capitalise on our rural strengths

6.12 If Priority 1 is about maintaining the special qualities of Cumbria's rural areas, then Priority 2 is about fully exploiting this for its business and economic opportunities. There are three elements here:

- 2A: Exploiting our brand
- 2B: Adding value to under-exploited resources
- 2C: Deepening our existing supply chains/clusters.

### Priority 2A: Exploiting our brand..... the “provenance” and quality

6.13 This sub-priority is about making the very best use of the qualities of Cumbria's natural capital and its association with the history and quality of the place as reflected in goods and services. If locally partners are investing in trying to maintain what is special we need to also exploit these in a business and economic sense (but in a sustainable way). Key considerations include:

- The successful bid for World Heritage Site status for the Lake District can be seen as a **game changer** - obviously inside the National Park but in surrounding areas with potential links to the existing Hadrian's Wall WHS
- There is a developing food/foodie scene in Cumbria – albeit there is a long way to go and strong competition for many other areas in the UK and abroad
- There are some live initiatives such as “Made in Cumbria” run by the Chamber and the “Taste Cumbria” initiative that could be further developed

sharing lessons and best practice. Cumbria will form the catchment part of the Pioneer project and three other projects will focus on landscape, urban and marine in different locations in England.

- Some formal elements are in place (Herdwick sheep with their PDO<sup>22</sup>) and other regions have gone down this route (e.g. West Country PGI<sup>23</sup> for red meat), although the future of these schemes is uncertain in a post-Brexit world.

6.14 There are however issues to be considered:

- There are challenges in co-ordination, coverage direction and willingness/ability of firms to join it and to be able to afford to support
- There needs to be agreement on branding; for tourism Cumbria Tourism use the “Lake District, Cumbria” brand to describe the whole of Cumbria, something similar could be used for local produce
- Hadrian’s Wall is the other globally recognised brand, strongly featuring in film and TV, however this brand is likely to be more about tourism and experiences than being attached to local produce
- If the focus is on quality then this needs to be controlled and defined.

6.15 At the core could be Cumbrian food/drink products produced largely in rural areas (in the Lake District but in surrounding areas including Cumbria’s urban areas), but also creative activities, crafts and the use of local materials (slate, stone, wool and timber).

• **Opportunity 5: re-invigorate work to use Cumbria/Lake District brand to sell the best of our produce**

- **5A: “Taste the view”<sup>24</sup>**, a further concerted effort to develop, sell and showcase the best quality of Cumbria produce [with possible outlets at Manchester Airport and other gateways].
- **5B: “Feel the view”**, similar idea but for non-consumable products.

6.16 Note: both of these opportunities are also linked to and would be helped by success in expanding the visitor economy.

Figure 6.2 Priority Action 2: Exploit the Lake District’s designation as a World Heritage Site (WHS)

The evidence from other World Heritage Sites is that the economic benefits from being a WHS do not flow automatically. Rather there needs to be a concerted effort to market the new status and build products and services behind it.

## Priority 2B: Adding value to what we do and have...

6.17 Cumbria has already elements of significant activity linked to its abundance of primary raw materials and sector activity:

- **Farming:** it has one of the largest dairy and livestock regions in England and is the location of important feed stuff manufacturers, auctioneers and veterinary expertise
- **Forestry:** major sawmills, forestry management companies and projects and use of forestry in biomass. Strategic location in Northern England/Southern Scotland forestry resource.

<sup>22</sup> In 2012, Lakeland Herdwick meat was awarded Protected Designation of Origin (PDO) status by the EU

<sup>23</sup> Protected Geographical Indication (PGI)

<sup>24</sup> This term comes from Countryside Agency research report in 2002

Home of National School of Forestry at University of Cumbria (and forestry operations education/training at Newton Rigg).

6.18 Already there are some businesses exploiting quality niche markets (venison/beef) with on-farm cutting/butchery or on-farm milk sales and specialist dairy processing (such as Cumbrian cheeses being produced at the Appleby Creamery and Thornby Moor Dairy, local ice cream etc.). However, generally these niche activities are not large volumes and benefit relatively few producers compared to the overall scale of agricultural output in Cumbria.

6.19 In the case of dairy activity a large volume of unprocessed milk is exported out of Cumbria with no added value. Ongoing discussions are taking place led by Cumbria Dairy Consortium about how to exploit this opportunity. The issues are whether the opportunity is large scale processing producing products for export out of Cumbria (yoghurt, powder and cheese) in bulk, and/or to build on the Cumbria provenance brand with smaller to medium-sized clusters of businesses. At present both strands are being explored. There are local businesses which are operating at a larger scale and exploiting global markets such as Kendal Nutricare.

- **Opportunity 6:** increase **processing of dairy products** in Cumbria to sell in rest of UK and overseas

6.20 Cumbria has the potential to provide more sources of renewable energy and resources for energy management these include small scale hydro, land for battery storage near sub-stations and the development/exploitation of bio-mass:

- **Opportunity 7:** Cumbria's **forestry resources** - expand production and its use
- **Opportunity 8:** expand the rate of local, **smaller scale renewable energy production** and contribution to the UK's energy network<sup>25</sup>.

#### Case Study in Renewable Energy Crops and Farming

Iggesund Paperboard have a large biomass energy plant providing energy for their paper board manufacture near Workington. They are developing a supplier base in Cumbria from farmers growing willow to provide up to 10% of their energy needs along with other timber crops. Willow is a short rotation coppice crop well suited to northern temperate zones and thrives in the cool wet conditions and soil types of Cumbria. It produces its first crop after only three years, and can then be harvested every second or third year, giving a plantation life of 20 to 25 years. After the end of its productive life, the coppice can be dug up and the land returned to conventional cropping. Willow gives a high yield, has a high energy value, and improves the soil for subsequent crops if the farmer later chooses to grow something else. It provides an alternative income stream for farmers and demonstrates the potential and importance of Cumbria's natural capital.

## Priority 2c: Deepening our existing supply chains/expertise

Developing our agri-environment cluster...

6.21 The opportunities immediately above are about increasing direct activity or directly adding value to Cumbria's produce/natural resources. However, Cumbria already has a significant concentration of firms involved in the delivery of goods and services to the agricultural sector that operate not just in Cumbria throughout the UK (and beyond in some cases). These range from livestock feed businesses and veterinary practices to agricultural advisory firms.

<sup>25</sup> Ensuring of course that they do not have adverse environmental consequences and are suitable for the location in which they are situated

- 6.22 Overall Cumbria has relatively few businesses at present involved in the agri-tech sector which is seen as a key growth areas globally (although it has some leading animal breeding companies). The LEP area also has no government funded research institutes nor major agricultural science departments at its university. There may be an opportunity to try and build and encourage new firms in the sector, but focusing on the county's tradition of uplands farming and environmentally sustainable livestock farming.

- **Opportunity 9:** develop the **cluster of agricultural supply, technology and advice businesses** focused on the livestock/animal husbandry sector and the environmental impacts of farming and potentially seeking to become a test bed of advanced breeding and animal husbandry techniques<sup>26</sup>.

- 6.23 Cumbria is also a place where environmental management is practiced daily and, as noted earlier, presents a real opportunity for developing and testing a new approach to land management for eco-systems services purposes. There are already a small number of niche professional consultancies in Cumbria specialising in ecological and environmental services as well as firms delivering solutions (e.g. peat bog restoration). Cumbria University has a national centre for forestry and Lancaster University has a large and well regarded school of environmental sciences (and staff and students may want to live in and start businesses in South Cumbria). There may be an opportunity to encourage and develop this sector.

- **Opportunity 10:** developing and expanding expertise in **environmental land management**.

Develop the industries associated with the visitor economy and the outdoors

- 6.24 The Lake District is a world class destination for the outdoors, one of the birth places of modern rock-climbing and is currently being marketed as the “adventure capital of the UK” which is covered in the visitor economy parts of this Growth Plan. The Lake District attracts visitors from all round the world and has one of Europe's largest clusters of outdoor shops. It has world renowned conference and festivals linked to the outdoors<sup>27</sup>.
- 6.25 Linked to the role of the Lake District as a global centre for outdoor activities there are a range of associated industries including:
- Outdoor education/learning businesses (Outward Bound Trust etc.) and courses/research at University of Cumbria<sup>28</sup>
  - Outdoor adventure companies (that may be selling holidays all round the world but need staff with interests and experience)
  - Outdoor equipment and clothing manufacturers (even extending to climbing walls and playgrounds)
  - Creative industries associated with the outdoors (photography, painting for instance).

<sup>26</sup> Eden District Council and Askham Bryan College have a memorandum of understanding to develop an employment site adjacent to the Newton Rigg Campus near Penrith. The proposal for this site is that it will be a specialised employment site focusing on sectors that fit with the curriculum at the college such as agri-tech

<sup>27</sup> For instance Kendal and Keswick Mountain Festivals

<sup>28</sup> For instance: the Centre For National Parks & Protected Areas (CNPPA) research group, the National School of Forestry and the Institute For Leadership And Sustainability (IFLAS)



- 6.26 The interesting growth opportunity is not so much increasing the range and quality of activities delivered in Cumbria. Rather it is using and sharing the skills, expertise (including related best practice in responsible and sustainable delivery) and linkages of those working in the sector to develop and grow businesses that sell services outside Cumbria and the Lake District National Park.

• **Opportunity 11:** become major supplier of **adventure capital services**

Case Study in a Leader in Adventure Services

King Kong Climbing, near Keswick, design, manufacture and install climbing walls. The firm has over 20 years' experience of building state of the art climbing walls and other innovative adventure systems such as caving systems and high ropes and challenge courses.

## Priority 3: Building a location for future businesses

- 6.27 To a large extent the priorities and actions above are delivering “more of the same” albeit increasing the value of activities. However, they will not fundamentally shift the nature of Cumbria’s rural economy.
- 6.28 Any forecasts of future business growth and sector growth will identify the growing importance of digital based and so-called knowledge based businesses in the future. Cumbria generally has a real deficiency of such businesses. In terms of its GVA contribution the “information and communication” sector has only a fifth of the level of representation nationally in the economy (the lowest degree of specialisation of any sector in Cumbria). So at one level it might seem a strange idea to consider Cumbria as location for tech businesses. Much of the work about technology businesses stresses the importance of clusters, critical mass etc. Larger cities are the main magnets for technology businesses.
- 6.29 However, in the US there is something that might be called the “Rockies phenomenon” where there are significant levels and growing levels of tech businesses/employment in towns and cities in the Rockies, in large part attracted by the quality of life offer. For instance, in Montana<sup>29</sup> tech businesses reported that “*Montana’s quality of life – its lifestyle, the work/life balance available here, the recreation opportunities, and the beauty of the landscape – provides them a significant advantage in business*”<sup>30</sup>. Although the main challenge is “*attracting talent and hiring skilled technology workers*”.
- 6.30 In Cumbria there are the very seeds of this possibility perhaps in the south east of the county (Kendal and environs) that couples relative accessibility (to Manchester, Liverpool, London) and the quality of life offer. With the roll-out of superfast broadband to most parts of the County (something that could be seen as a success story although it still has a long way to go), the time may be ripe for a concerted effort to sell Cumbria (or at least parts of Cumbria) as a great place to live and set up a young business. The **creative industries** sector is one of the fastest growing nationally and Cumbria is well placed to build on its unique cultural offer to attract the people and

<sup>29</sup> The total State population is only twice that of Cumbria’s at 1.0 million and the largest city/town is Yellowstone with around 100,000 inhabitants. It has a much larger area and much more isolated

<sup>30</sup> A Profile of Montana’s High Tech Industries Compiled by: Bureau of Business and Economic Research, University of Montana, 2015. These are defined as: Pharmaceutical and medicine manufacturing; Computer and peripheral equipment manufacturing; Communications equipment manufacturing; Semiconductor and electronic component manufacturing; Electronic instrument manufacturing; Aerospace product and parts manufacturing; Software publishers; Internet publishing and broadcasting; Telecommunications; Data processing, hosting and related services; Architectural and engineering services; Computer systems design and related services; and Scientific research and development services

inward investment in this field. Creative, cultural and heritage businesses should be seen as key drivers of economic growth for Cumbria.

- **Opportunity 12:** develop a vision of Cumbria as the “Rockies of the UK” capitalise on the roll-out of superfast broadband and the lifestyle offer.

6.31 In practical terms how can such an opportunity be exploited? To a large degree it will happen as a result of personal choices by entrepreneurs or existing small businesses seeking a different base (for lifestyle choices). Tech businesses linked to Cumbria’s (rural) strengths are an obvious area for development. There may be a case for considering property-led approaches that focus on developing space for tech start-ups, but we are not aware of property as being a major factors in the growth of most tech businesses (it tends to be access to staff and start-up funding). At least in parts of rural Cumbria the roll-out of even more advanced connectivity and emerging technologies such as ultrafast broadband (c 300mbps) may help attract talent.

6.32 One of the threads running through this growth plan is the opportunities that exist for Cumbria in acting as a **test bed** for new ideas and equally this could apply to new technologies. Whether in the visitor economy, in environmental management or in the way residents go about their daily lives, Cumbria or parts of Cumbria to help accelerate new technologies and ideas to market. This has several possible benefits:

- Potentially providing a head start in the use of new technologies, such as the ‘internet of things’ and ‘mobility as a service’ (whether in farming, environmental management or tourism to provide a “first mover” advantage)
- To potentially help attract businesses or people working in technology sector
- Helping raise and re-position the profile of Cumbria.

- **Opportunity 13:** develop Cumbria as **test bed for the application of new technologies** in rural areas and the visitor economy in rural areas.

## Priority 4: Exploit the major new project opportunities for local supply chains

6.33 There are other opportunities that will affect Cumbria’s rural economy, including the growth of supply chain (direct and indirect) opportunities associated with the large scale construction and civil engineering projects on the West Coast/Furness<sup>31</sup> over the next 5 to 15 years. This is both an opportunity for rural businesses but also creates a major challenge in terms of the impact this will have on labour supply availability across Cumbria and so for rural businesses and skills may “leak” out of existing sectors to these new, well-paid opportunities.

6.34 There will undoubtedly be many opportunities for rural businesses (as for instance there is a significant scale of business and workers who are in or linked to the construction sector). The development of these opportunities is not a rural issue per se but a Cumbria-wide issue and opportunity that is best dealt with at that level, but it is important to make sure that access to supply chain opportunities is spread across both urban and rural areas and businesses.

- **Opportunity 14:** to **secure developer contributions** in a timely fashion to mitigate in advance the impacts of major developments and ensure economic benefits are maximised for businesses within the rural and visitor economies.

<sup>31</sup> The proposed nuclear new build at Moorside by Sellafield, the associated North West Electricity Connector project, the new water pipeline from Thirlmere to the West Coast and the nuclear submarine building programme in Barrow.

6.35 Working with local partners and the developers this could involve the following activities:

- Training and development programme – particularly focused on apprenticeship training and the unemployed and economically inactive (to increase the available labour force and mitigate some of the impacts on labour supply).
- Cycling, walking and other sustainable transport infrastructure improvements – delivery of projects outlined within the **SEE MORE** travel planning programme.
- Food and drink opportunities – to support the workers in the major developments<sup>32</sup>.



<sup>32</sup> For instance the role of Somerset Larder the role of the Hinkley Supply Chain. Somerset Larder was established in 2014 to bring together the county's best food and drink producers in order to compete for large catering contracts. They have plans to provide sourced products. <http://www.hinkleysupplychain.co.uk/somerset-larder/>

## 7. Growth priorities for the Visitor Economy

- 7.1 There are five themes linked to growth opportunities for the visitor economy across the board which emerge from the assessment of threats/weaknesses and strengths/opportunities. These focus on ways of attracting **new** visitors and, in particular, **extra visitor spend** and the opportunities to spend.

**However, we need to get the fundamentals right.**

- 7.2 This Growth Plan is not intended to be a visitor destination management plan. However, the LEP recognises that **continued and increased investment in infrastructure, destination marketing, accommodation and other fundamentals** of the visitor economy by the public and private sectors **is vital** to retain and grow existing market share.
- 7.3 Partners involved in the visitor economy recognise the importance of identifying new growth opportunities - which is the main focus of this Plan (please note that the priorities and opportunities are not listed in a hierarchical order). Below are the key principles that will underpin investment and broader support from Cumbria LEP and others across the visitor economy:
- 1) **Attract and disperse:** as we note earlier, the visitor economy is highly concentrated in certain parts of Cumbria (largely in accessible parts of the Lake District), which can reach effective full capacity in busy periods. There are other parts of Cumbria, such as the coastal areas, the AONBs, the Eden Valley and the North Pennines, that have much to offer visitors (and where the visitor experience could be enhanced) and the capacity to absorb extra visitors. This key challenge needs to form a backcloth to future investment decisions.
  - 2) **Reduce seasonality:** as with other rural areas there is a marked seasonal pattern in visitor numbers in Cumbria. Visitor patterns have become less seasonal in recent years as more visitors are now coming to Cumbria in the shoulder months. Nevertheless the importance of attracting more visitors outside peak periods remains.
  - 3) **Converting day to overnight visitors:** Cumbria receives 17 million plus day visitors<sup>33</sup>, the environmental impact of a day visitor is similar to an overnight stayer, yet their economic contribution is far less significant.
  - 4) **Driving up quality:** the need for attractions, accommodation and food and beverage outlets to improve their quality to remain competitive with other locations in the UK and overseas. This is also true for other parts of the visitor experience, including the public realm in the key visitor destinations. There are some excellent examples of recent private sector investment in high quality new or enhanced facilities in Cumbria<sup>34</sup>.
  - 5) **Improving skills:** Cumbria LEP's Skills Investment Plan sets out key priorities for the whole of Cumbria.

<sup>33</sup> Data from 2015 Great Britain Day Visits Survey covering day visits of residents of Great Britain only

<sup>34</sup> Such as; Lingholme on Derwent Water; Brimstone at Langdale (new luxury arm of The Langdale Hotel and Spa); Another Place, Ullswater (formerly The Rampsbeck hotel); Gilpin, Windermere; Lakes Distillery, Bassenthwaite; The Samling, Ambleside; The Low Wood Resort & Hotel, Windermere; Forestside, Grasmere; Rothay Gardens, Grasmere; Lodore Hotel, Borrowdale; and the Derwentwater Applegarth Hotel, Windermere



- 7.4 The above principles relate primarily to the domestic market, which accounts for 85% or more of the County's visitor economy. Good market intelligence, strategic planning and targeting of product development and marketing campaigns will continue to be of the highest priority for most businesses in reliant on visitor expenditure.

## 1. The marketing opportunity from Lake District WHS status

- 7.5 The successful bid for World Heritage Site status identifies the quality of the Lake District environment as "globally significant and special" (UNESCO). WHS designation will be much more than an opportunity to "refresh" the Lake District brand. It will be about global recognition for a special "cultural landscape" bringing a competitive edge.
- 7.6 Elsewhere in the Growth Plan we highlight opportunities to capitalise on the new international recognition in terms of products (especially but not exclusively food and drink). However, there is clearly an even more important opportunity in terms of **raising the profile of the Lake District as a visitor destination for international visitors** (and potentially for new markets from those parts of the UK such as London where market penetration is low). The expansion of the two National Parks could and should be part of this story. The work carried out for the WHS bid has emphasised that the economic and social benefits from becoming a WHS are far from a given. Considerable co-ordinated work is needed to maximise the opportunities, especially success in capitalising on the visitor economy potential.
- 7.7 Much of the north of England, but certainly Cumbria, has underperformed historically in terms of attracting international visitors and has not benefited from the growth in England over the last decade. WHS status for the Lake District (**coupled with the existing WHS of Hadrian's Wall**) will play well into the key twin themes for international travellers to the UK looking to travel outside London of beautiful landscape and cultural/historical sites<sup>35</sup>.
- 7.8 However, there are challenges in developing the international market that revolve around:
- branding (see Rural Economy Priority 2A as well),
  - preparation for international market needs (e.g. foreign language provision, cultural requirements, expectations of web and mobile access, expectations of access to global tourism services and products such as international brands etc.) and
  - identifying and accessing international markets (via VisitBritain, inbound tour operators, international tour companies etc.).

## 2. Extending the visitor "adventure" experience/offer

- 7.9 The idea of the adventure capital brand is a strong one and potentially plays well into the opportunity to increase significantly the market share of those under 30/35 coming to Cumbria (i.e. pre family age). However, one of the trends identified by Visit England is around the "vertical family" so groups with a wide age range and physical ability (children, parents, grandparents etc.). One person's adventure could be another's step too far. So the idea of "adventure" needs to be marketed and offered for a **range of activities catering for a range of appetites for "adventure"**.
- 7.10 In terms of walking Cumbria and especially the Lake District already has a **fantastic range of walks** on offer from easy but scenic to extreme mountaineering. Although one theme is the relative lack of access for all to the lakes and lakeside for walking (and multi-user access) for some of our lakes.

<sup>35</sup> London and Beyond" Foresight Issue 117, July 2013, Visit Britain

- 7.11 As a county, Cumbria has really **excellent cycling opportunities** second to none in the UK and the aim for the emerging Cumbria Cycle Strategy is for it to become the best place in the country to cycle. The passes of the Lake District provide a challenge for more experienced cyclists while the quieter roads of the Eden Valley and flat coastal areas are fantastic for more tranquil, family friendly cycling. In some of the Lake District's roads there are conflicts of use between vehicles, pedestrians and cyclists. There is need to develop purpose built cycle routes. The range of **mountain biking opportunities** in Cumbria is equally good – from the trail centres at Whinlatter and Grisedale to the almost 1,000km of bridleways and byways that provide everything from easy cross country to extreme mountain rides.
- 7.12 There is an opportunity to much more strongly promote some of the **long distance cycle routes** across Cumbria, but also to improve the range of off-road/quiet routes across the Lake District suitable for families. There also could be opportunities for more challenging off-road mountain biking routes in forests outside of the Lake District National Park.
- 7.13 The **coast of Cumbria** is an underutilised resource for visitors. It is relatively unvisited although it already offers activities such as beach-related activities, sailing, sea kayaking and other water sports. As noted above the coast also offers new opportunities for walking and cycling. However, at present the visitor infrastructure in the coastal areas is relatively under-developed. A key opportunity is to further enhance access to the spectacular **Cumbrian Coast** through support for further development of the **England Coastal Path**.
- 7.14 The development of **high adrenaline activities** inside the National Park has been the subject of some controversy. Nevertheless to match the title of “adventure capital” there is a good case for extending the range of adrenaline activities (such as zip wires) in or close to the Lakes District as part of the adventure capital offer.

### 3. Supporting events, new/enhanced attractions and experiences linked to other themes

- 7.15 “Food and drink” and “culture” are the two other themes being used to sell Cumbria. The first theme fits well with the rural economy growth plan, where food and drink manufacturing and capitalising on the branding opportunity of the Lake District (especially with WHS) is a priority. The Lakes Distillery is a really good example of the cross over between the visitor and rural economy. This development is both a successful visitor attraction and also is producing a premium brand drink which can be sold nationally and globally. Similarly other businesses such as Hawkshead Relish have also benefit from the symbiosis between visitors and other markets.
- 7.16 The “cultural” experience on offer in Cumbria is much more diverse and generally is aimed at a range of different market segments. There is likely to be less need for new cultural attractions, rather ensuring the current ones are retained as good quality tourism destinations. In many respects part of the opportunity is finding ways of **linking up places as part of “stories” or “experiences”** that appeal to different audiences (such as has been done with Beatrix Potter and Hadrian's Wall) both UK and international. These could be: the Lakes Poets, the Arts and Crafts movement, the historic English/Scottish battles/raids, the history and practice of hill farming etc. In these cases the raw material is largely there in Cumbria but trails, interpretation (either physical or via digital apps), marking and promotion are needed (that could be linked to the WHS themes). In Carlisle an “augmented reality” visitor experience is being trialled linked to cultural attractions in the city centre.

- 7.17 Similarly, **events and festivals** linked to the themes of food and drink, heritage and culture (such as Lakes Alive) and of course adventure activities provide an opportunity of showcasing what is special and often overlooked in Cumbria. There are opportunities for activities linked to the **Great Exhibition of the North** that could be exploited. Events and festivals have a particular role in helping attract visitors to the less busy periods for the visitor economy.

#### 4. Getting to and moving around Cumbria

- 7.18 There is an opportunity for the LEP and partners to influence access into Cumbria by working with Transport for the North to develop future opportunities in terms of enhanced air, rail, road and sea links to parts of the county. It is unlikely that the train services to London will change much (although there is potential disruption if and when HS2 extends northwards from Birmingham). However improved services from Manchester Airport to Barrow, Windermere and north to Penrith and Carlisle are happening and provide an opportunity to enhance access for international visitors. Barrow, Whitehaven and Workington are established ports / harbours and there is potential to further develop facilities and services at these sites to accommodate visitors arriving by sea. The recent investment in **Carlisle Airport** and the opportunities this brings has been covered above.
- 7.19 The key local challenges centre on ensuring that sustainable transport infrastructure and services, and information about these, is available to meet the needs of the growth markets identified, without leading to increases in traffic which then impact negatively on the visitor experience. Onward travel linking the main visitor destinations from key rail stations and accommodation hubs is key to this and further work needs to be undertaken to take forward the projects outlined in the **SEE MORE** travel planning studies. Development of digital technology will help manage visitor travel and can encompass parking apps, real time public transport information, ticketing and cycle and walk link information. High quality infrastructure at gateway stations should be provided to facilitate onward travel.

#### 5. Embracing the digital age

- 7.20 We have emphasised the fundamental importance of digital access and usage in so much of the visitor economy: from finding out about places and where to stay, to booking, to getting information in real time on what to do and how to get there, to navigating around and to sharing the experience in real time. People, especially younger people, are doing much of this using their smartphones and apps that are available from big tech companies (Uber, Google, Apple etc). This raises a number of challenges for tourism in Cumbria going forward, especially in attracting tech savvy millennials:
- The expectation that there will be **good access to the internet anytime any place**: this places perhaps more of a premium on good 3G, 4G and 5G coverage in the future than necessarily fibre broadband.
  - The impact of so-called disruptive technologies on the way people **search and book holidays** (the potential lesser importance of traditional intermediaries such as travel agents, holiday cottage booking companies etc.).
- 7.21 The following priorities and opportunities are not listed in any order of importance. The first three priorities relate to potential new investment opportunities, the fourth to the importance of continual improvement and the final one to digital information opportunities (which also relate strongly to the Cumbria LEP's cross cutting economic driver of (digital) infrastructure).

## Priority 1: Growing Cumbria's international visitor spend

7.22 It is clear that Cumbria **underperforms compared to its potential** in attracting international visitors (especially beyond those simply visiting friends and relatives). The objective is to attract more high value international tourists and get a better share of England's growth. The main opportunities are from England's existing larger overseas markets where visitors are more likely to travel outside London (USA, Australia and northern Europe). There are also considerable opportunities to increase both visits from non-London based trips (for instance those arriving via **Manchester Airport** where new routes are opening out to important overseas markets such as China) but also mini-breaks from London that involve trips often including Scotland.

7.23 Addressing these opportunities will involve:

- Continuing to build on internationally recognised brands such as the Lake District and Hadrian's Wall WHS and in particular working hard to capitalise on the new visibility internationally of the Lake District with WHS status. This will involve marketing and working with tour operators and ensuring a strong digital presence.
  - Designing packages of "experiences" to appeal to overseas tourists.
  - Developing more purpose-built accommodation to service the growing group travel market.
  - Increasing ease of movement to and within Cumbria to ensure visitors are able to access attractions all across Cumbria.
  - Increasing digital and mobile communications – ensuring that visitors are able to easily access information on local attractions and accommodation to increase local spend.
- **Opportunity 1:** use **Lake District WHS status** as a story to sell the Lake District (and Cumbria) to target high spending international (and domestic) markets<sup>36</sup>
  - **Opportunity 2:** develop further the infrastructure, and quality of, and range of accommodation and attractions necessary for the **international "showcase corridors"** of Windermere; Ullswater, Borrowdale and Hadrian's Wall.



<sup>36</sup> This could involve specific interpretation centres around the WHS building on and enhancing existing visitor centres for the Lake District National Park



## Priority 2: Enhancing Cumbria's "adventure capital", cultural and heritage offer

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- 7.24 The objective of this priority is to add **extra substance to the targeted experiences** (adventure, food and drink and culture) for Cumbria visitors. In part in so doing we aim to attract younger, "millennial" visitors to Cumbria to develop them as life-long visitors to Cumbria.
- 7.25 As far as the "adventure capital" theme goes the need is to increase the range of types of experiences that can be offered, both at the adrenaline end (appealing to the younger, "millennials" market) and also to the family/older market. All partners recognise that "adventure capital" is not only about adrenaline activities for the sake of it. It is also about getting an individual to interact with, and understand, the natural environment. This can be either through high impact adrenaline sports or simply a countryside walk – so it relates to all generations and to all abilities. Adrenaline activities are a way of engaging particularly the younger generation where there are other competing alternative activities including digital/ computer games. To ensure future healthy and engaged generations we need to get them to enjoy the outdoors.
- 7.26 Far more needs to be done in developing the outdoor product. One potential is to build on Keswick's reputation as an adventure hub. Keswick forms part of the international destination corridor but could also be seen as a hub for various activities, including the round Derwentwater cycle way, and activities at Thirlmere and a possible mountain centre at Whinlatter (subject to access arrangements).



- 7.27 Given the high profile of the Lakes District as a centre for “adrenaline” activities there is a good case for exploiting this and enhancing the offer through new locations or centres of regional significance for such activities that tap into the potential nationally and even internationally.

- **Opportunity 3:** develop **new adrenaline attractions and facilities** including a regional centre to expand the range and type of experiences for adrenaline activities<sup>37</sup>

- **3a:** explore the development of an indoor regional "adrenaline" attraction adjacent to a primary centre that will complement the town centre, and also serve the regional visitor economy
- **3b:** develop facilities on the coast for adventure activities

- **Opportunity 4:** enhance **access** for all to and about our lakes (providing access for a range of users with a range of mobility)

- **Opportunity 5:** enhance the **cycling offer in Cumbria** including

- **5a:** Improved safer off-road routes and their connectivity for family/adult cycling
- **5b:** Promote long-distance cycle routes in Cumbria
- **5c:** Explore opportunities to improve the mountain bike offer by better connecting the existing bridleway network and promoting cycling either side of the M6 in the Lake District and Yorkshire Dales National Parks and elsewhere.

- 7.28 As noted, the opportunities to further develop the food and drink offer are a central part of the rural economy growth plan. Food and drink production can and often does have complementary visitor attractions opportunities.

- **Opportunity 6:** development of new and enhance existing quality **food and drink linked attractions**.

- 7.29 There is already an interesting range of cultural and heritage attractions in Cumbria, that could be linked together under many “experiences and themes”. The challenge is less about the number and range of attractions, but more about marketing, animating and joining them together. **Carlisle** has made good progress in this respect through the **England’s Heritage Cities Programme** and is utilising ‘augmented reality’ technologies to promote and allow visitors to interpret the city’s cultural and heritage assets.

- **Opportunity 7:** develop new **communication packages and information systems** for cultural and heritage experiences/trails (including apps, digital partnerships, campaigns etc.)

- **Opportunity 8:** continue to support and develop **festivals and events** showcasing our culture and heritage and outdoor sports

- **Opportunity 9:** invest in new or enhanced cultural facilities interpreting and developing culture and heritage.

<sup>37</sup> These would need to be accessible, ideally by public transport, and close to significant settlements to aid access to stall/skills

## Priority 3: Capitalising on opportunities from business tourism

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7.30 The objective of this priority is to **retain more of the current and future spend and opportunities** from business tourism. We recognise that Cumbria's location means that it is unlikely ever to be able to sustain large scale business tourism. However, there is some evidence that business tourism activity and spend from our businesses (especially larger businesses) can and does "leak" out of Cumbria. With the large opportunities in the future there is a danger that more of this will leak out. At present there are relatively limited locations for larger scale business tourism in the west of the county.

7.31 There is already strong demand for serviced accommodation linked to the operations of major employers in areas such as Barrow-in-Furness. Planned major capital and infrastructure projects on the West Coast of Cumbria will bring with them increased demand for serviced accommodation and opportunities for development and investment in this sector.

- **Opportunity 10:** work with **large businesses in Cumbria** to retain more of current and future company-related business tourism opportunities
- **Opportunity 11:** support **new business-focused hotel development**, especially in parts of Cumbria that are underserved and / or where there are major capital projects planned

## Priority 4: Continued investment in and promotion of existing attractions, accommodation and infrastructure

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7.32 The previous priorities are essentially about new investment and opportunities, building on the existing assets and strengths of the Cumbria tourism and visitor offer. However, one of the themes running through this growth plan is the need to ensure that Cumbria gets the basics right. This does not mean ensuring just a basic standard of accommodation, service or visitor experience. Rather it means continual improvement in the quality of the offer from accommodation through to public areas in our towns and villages. Other parts of the UK are seeing continual investment in their accommodation stock, in visitor attractions and in promotion.

7.33 The areas where continual investment is needed on an on-going basis by the private sector and, where appropriate, the public sector and both in partnership include:

- The quality and range of the accommodation stock
- The quality and range of the food and beverage offer
- The quality of the retail experience
- The quality of the visitor experience in existing attractions
- The information and arrival experience for visitors at rail-based entry points to the county
- Parking provision and information about parking
- The quality of public realm in the main tourism destinations in Cumbria.

- 7.34 Cumbria (like many areas), also needs better marketing, but that means that a marketing framework needs be coherent at a county level. There is a need for a new marketing strategy that embraces new opportunities presented by the new technology platforms, overseas growth and new alliances. With more and more (marketing) income and revenue being leaked/extracted from the county by on-line travel agencies and others, Cumbria plc needs to take a long hard look at how it is using its scarce resources.

## Priority 5: Improving access to digital information and getting around Cumbria

- 7.35 The opportunities arising from technological progress are endless and can potentially improve visitor experiences considerably. There is also a long history of expenditure on technology that has not worked as intended or has never been needed. We are therefore keen to use Cumbria as a place trial out new ways of using technology.
- 7.36 The objective here to make a Cumbria visit **easy to navigate especially for first time visitors, visitors from London, other urban centres and international visitors**. In line with the theme in the rural economy part of this Growth Plan there is a case for seeing Cumbria as a place to trial new technology as it applies to an outdoors visitor economy. There is need to improve some of the basics such as car parking and also to use new technology to improve visitor information on transport. It is also important that local attractions and accommodation/food and drink providers are fully aware of and plugged into the new information and navigation channels that are being delivered by the large tech companies such as Google. There has been recent interest from a number of companies in trialling new technologies in Cumbria, ranging from driverless pods to new parking systems utilising the developing “internet of things” technologies.
- 7.37 Key to delivery of this priority is to ensure that the sustainable transport infrastructure and services are there to enable people to see more and drive less. We want sustainable transport, including transformational cycling and waking infrastructure, to become part of the visitor experience and in itself create attractions for visitors.

- **Opportunity 12:** develop enhanced **digital mapping and related information** to experience and navigate the Lake District
- **Opportunity 13:** invest in **transformational travel experiences** to attract new and repeat visitors and encourage visitors to travel sustainably.

