

# **CUMBRIA LEP**

# **EU Structural & Investment Funds Strategy**

**Version 1** 

**March 2015** 

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#### **FOREWORD**

Cumbria is a big county with big plans. Working in the northwest of England, adjacent to the Scottish border, Cumbria Local Enterprise Partnership (LEP) is focused on maximising the social and economic potential of Cumbria by building upon the County's unique combination of assets.

I am delighted to present our European Structural and Investment Fund Strategy (ESIF). This has been developed in parallel with our Strategic Economic Plan (SEP), a 10 year plan which concentrates on four strategic priorities with intervention through four economic drivers. This 'four by four' approach creates the strategic framework to deliver maximum benefit for Cumbria and drive growth and development at a County, national and international level.

This ESIF has been developed with engagement and support from partners and stakeholders from across the County, and aims to build on our strengths and opportunities to maximise the European investment for 2014–2020 for the benefit of all of our communities. We have refined this strategy in consultation with UK Government to ensure strong alignment and complementarity with the SEP and the emerging Cumbria Skills Plan 2015–18, and to reflect Cumbria's huge potential contribution to overall growth in the North of England and the UK as a whole.

I look forward to working with partners over this period to deliver this exciting programme and to maximising the smart, sustainable and inclusive growth opportunities which this funding will provide for Cumbria.

**George Beveridge** 

Chair, Cumbria LEP

#### 1. INTRODUCTION

The vision is for Cumbria to have one of the fastest growing economies in the UK, in an energised and healthy environment. Cumbria LEP launched its 'Four Pronged Attack' in March 2014, the Strategic Economic Plan (SEP) for how the county's economy can deliver jobs, business growth, improved skills, new infrastructure, housing and a range of other economic benefits over the next 10 years. EU Structural & Investment Funds (ESIF) 2014–2020 are important to Cumbria but only one part of the county's overall investment in economic growth. ESIF must be seen within the wider context of the overall implementation of the SEP, and this strategy sets out how Cumbria LEP intends to direct and deliver against its allocation from ESIF to deliver the sustainable economic growth to be unleashed by the SEP.

Cumbria's 10-year Strategic Economic Plan concentrates on FOUR strategic priorities with intervention through FOUR economic drivers. This 'four by four' approach will deliver the maximum benefit for Cumbria and drive economic growth at county, national, and international level.

Our four-pronged attack fully unleashes Cumbria's potential in both rural and urban areas and will bring the best return on public – including EU – and private investment. Cumbria's business, public, and voluntary sector partners, working through the Cumbria LEP, have identified the following priority themes:



The four economic drivers have been aligned with the EU2020 Priority Themes of:

- Smart Growth: concentrating growth on the knowledge-based sectors of our economy, ensuring high-value jobs in sectors which support the approach of smart specialisation.
- Sustainable Growth: supporting the principles of sustainable development, investing in low-carbon goods and services in a way which decouples economic growth from environmental damage.
- Inclusive Growth: respecting the need to engage all members of society, ensuring that opportunities are available to all.

Aligning the four economic drivers and their corresponding Thematic Objectives ensures that ESIF plays a critical role in delivering the SEP, whilst also contributing towards key UK and European priorities and in line with EU funding eligibility.

The LEP has been through an inclusive process to develop this strategy, and will continue to engage with the broadest range of partners through establishing local delivery arrangements to ensure there is sufficient capacity locally.

The EU funding streams included in this strategy are primarily the European Social Fund (ESF), the European Regional Development Fund (ERDF), and the European Agricultural Fund for Rural Development (EAFRD). The LEP will continue to work closely with local partners to ensure that national priorities and allocations for the European Maritime and Fisheries Fund (EMFF) and the Rural Development Programme supporting local LEADER delivery arrangements also contribute towards our wider plan for growth.

Given Cumbria's geography and predominantly rural nature, it is important to recognise that the LEP views rural issues and development requirements as being mainstreamed within many of the activities that are proposed. Where there are specific interventions required in our rural areas, these will be specified and may attract EAFRD funding.

#### 2. THE CONTEXT FOR INTERVENTION

In the past decade Cumbria's economy has grown faster than nationally, with growth of 46.1% in GVA between 2002 and 2012, and was the 4th fastest growing sub-region in the UK. Headline GVA for Cumbria at current basic prices stood at £8.6billion in 2012. Much of this growth has been driven by West Cumbria, where manufacturing performance has been particularly strong due to the stability of major manufacturing operations, though East Cumbria still provides the higher share of Cumbria's GVA at 56%.

Cumbria is the second largest county in England and constitutes around 48% of the land mass of the North West. The county is home to 500,000 residents, with a workforce of 236,000 who are employed in 21,375 VAT/PAYE registered enterprises.

Cumbria is home to a number of large, multinational companies who are major employers, and whose impact spreads much wider through their supply chains. Notwithstanding the significance of the large employers, our SMEs provide the backbone of the Cumbrian economy, with 99.7% of businesses employing fewer than 250 people.

A full assessment of Cumbria's economy was undertaken to underpin the SEP, the results of which are available in the Cumbria Economic Overview document.

#### 2.1 Our Assets

Cumbria has the fourth-fastest growing economy of any UK sub-region over the past decade, thanks in part to its strong manufacturing base, world-renowned tourist offer, high-quality environment, the global centre of nuclear excellence that exists on and around the Sellafield site as well as a diverse business base. These factors have not only shielded the County from the worst effects of the recession but offer a springboard for future investment that, if capitalised on, will continue Cumbria's trend of strong economic growth, providing new jobs, businesses and export opportunities. Some of Cumbria's main assets can be summarised as follows:

Key assets	What this means for Cumbria
The fourth-fastest	GVA growth in West Cumbria has exceeded the UK average since
growing economy	2006/07
of any UK sub-	Relatively low average levels of JSA claimants
region over the	Top ten best performing LEP areas in terms of employment in output
past decade	growth sectors
A diverse	A business base dominated by SMEs
economic base	Excellent performance in terms of employment in export-intensive
with employment	sectors
	Top performing LEP area in enterprises surviving three years
in a wide variety	This diversity has shielded Cumbria from the worst effects of the
of sectors	recession.
Strategic	M6, West Coast Mainline and potential HS2 extension into Scotland
connectivity of	provides the gateway into Cumbria, with excellent inter-regional links
the M6 corridor	Key settlements of Carlisle, Penrith, and Kendal easily accessible and
	attractive locations for investment

Key assets	What this means for Cumbria
	Supporting and servicing the wider rural economy
	Supporting growth of logistics, agri-business, food, and diverse smaller
	businesses.
	County-wide but concentrated around Barrow, Carlisle and along the
Manufacturing	West Coast, including BAE, GlaxoSmithKline, Innovia Films, Siemens,
expertise &	Centrica, Pirelli, McVities, Sealy and Kimberly Clark.
world-leading	Advanced manufacturing expertise including: design and production of
companies	nuclear reactors, subsea technologies, oil & gas, production of new
	forms of currency, tyres, biopharmaceuticals, high quality food & drink
	Visited by over 39 million people annually and supported by around
	31,000 jobs
A world-class	Lake District National Park, bidding to become a World Heritage Site, is a
tourism	key draw for international tourists to the area
destination	Hadrian's Wall World Heritage Site
	Vibrant market towns showcasing important cultural heritage such as
	Wordsworth, Ruskin, and Beatrix Potter
A wealth of	Tourism – more designated sites than any other county, including
natural resources	woodland, water and coastline
which are	Environmental protection – e.g. Cumbria Coast Marine Conservation
significant both	Zone
nationally and	The economy – prime conditions for renewable energy generation
internationally	
	Intrinsically linked with tourism offer - home to the Lake District National
A thriving rural	Park and part of the Yorkshire Dales National Park
	Supports our high quality agricultural and food production sector,
economy	supports energy production as well as playing a central role in the UK's
	timber production
An attractive	A highly desirable place to live, work, play, invest, and raise a family
place to live with	Economic growth needs to be delivered in a way that preserves and
a stunning natural	enhances the environment and maintains the County's attractiveness to
environment	investors, tourists, and residents
	Partnership during crises:
	Foot and Mouth Disease 2001-02: The response to FMD included the
A strong history	creation of a Rural Action Zone and a Rural Regeneration Company
of partnership	which was the first of its kind in the country
working	Flooding 2005 and 2009: Cumbrian partners, NWDA, the Environment
	Agency and others worked to ensure that both help and support was
	available to residents and businesses quickly and efficiently

## 2.2 Barriers to Growth

Although Cumbria has a number of recognised strengths, the County faces some challenges that require additional support to overcome and enable the County to make the greatest contribution to economic growth.

Barriers to	Addressing these challenges
Growth	
	More sustainable transport options and transport infrastructure improvements
Dhusiaal	are needed.
Physical	Available ESIF funding will be aligned with the SEP, the LTB and the Local
connectivity	Transport Plan.
	Focussed on unlocking economic growth opportunities improving freedom of
	movement.
Virtual	<ul> <li>Connecting Cumbria will improve access to superfast broadband.</li> <li>Many key business locations are unable to secure access to the highest speeds.</li> </ul>
	<ul> <li>Improvements are essential to help business growth and delivery of public</li> </ul>
connectivity	services, particularly in our rural areas
	The Europe 2020 Competitiveness report identifies a gap in building a highly
	skilful, digital savvy, innovative economy with favourable business conditions for
Creating a	entrepreneurship.
knowledge-	<ul> <li>Greater exploitation of research and innovation is needed in areas such as</li> </ul>
intensive	Nuclear, Manufacturing, Agri-Tech and Food & Drink, leading to job and wealth
economy	creation.
Cconomy	Increased levels of higher level skills development will address perceived skills
	shortages in knowledge-intensive industries.
	Two of the County's largest employers, BAE and Sellafield are reliant on public
	sector spending decisions.
Reliance on	The task for the LEP is to ensure that local firms are able to secure as much
public sector	benefit as possible from the considerable spend in these companies whilst at
spending	the same time encouraging the creation of spin-outs and diversification into new
	markets
	Given Cumbria's relative isolation, the continuing cost of energy and fuel is
Rising energy	impacting severely on the profitability of our businesses.
costs	Supporting businesses to increase energy efficiency can increase productivity,
	profitability and new opportunities
	Pockets of both urban and rural deprivation across Cumbria with unemployment
	and under-employment a key issue; continuing cycles of deprivation within
	families and specific urban neighbourhoods.
	Requiring tailored interventions to tackle unemployment, poverty, low
Pockets of	educational attainment, crime, poor health and substance misuse.
deprivation	In rural areas, the on-going problems of unemployment and under-employment
acprivation	are exacerbated by a relative lack of suitable jobs as well as the high cost and
	time implications of travelling.
	Our wider SEP aims to tackle the issue of greater and broader job creation in our
	rural areas as well as increasing the level of affordable housing, bringing
	potential employees closer to employment opportunities.

## 2.3 Building on Existing Successes

Cumbria has already delivered a number of successful interventions, drawing on its existing strengths and assets, such as supporting development opportunities with its large businesses, as well as those targeted at its challenges, such as reducing unemployment. This next section highlights where progress has been made and how the LEP intends to build on this through its SEP with support from ESIF.

#### 2.3.1. Approach to improving skills

Over recent years a substantial level of investment has been directed towards improving Cumbria's education and training facilities as well as supporting broader skills development within the population. All of the County's General Further Education Colleges have delivered **major capital investment programmes**, providing training aligned with the needs of local businesses. These include a Construction Skills Centre at Lakes College, a major Construction Wing at Furness College, a Digital and Creative Arts Centre at Carlisle College, an Engineering Facility at Kendal College and a new Dairy Facility at Askham Bryan Newton Rigg College. To complement these developments, a number of private training providers and businesses have also invested heavily in improving facilities.

Cumbria has successfully delivered a range of programmes and projects to **reduce unemployment**, these include: Skills for Jobs, Pathways to Employment, 6 Months Plus Unemployed, Response to Redundancy, many of which have benefited from EU funding support. As a result, there is a range of existing local organisations within the public, private and third sector all able to develop and deliver bespoke interventions aimed at increasing employability. The LEP will seek to ensure that programmes are developed in partnership with DWP and the SFA that complement mainstream delivery whilst addressing identified needs, reducing unemployment and, particularly in our rural areas, underemployment.

Cumbrian education and training partners have established an innovative project called **The Edge** which seeks to provide demand led training and skills development to support business growth. The **Local Response Fund** project will deliver innovation and build capacity with the skills sector, support the LEP in achieving growth and enable the supply chain to respond to emerging demand across priority and supporting sectors. The project is aligned with the Cumbria Growth Hub and other business support projects (RGF/CIF) and will provide the **primary method of delivering training packages to our SMEs**.

The University of Cumbria is also an important asset. The University of Cumbria is a dispersed University to support the widening of participation and raise attainment levels and aspirations across Cumbria by providing accessible, good quality learning programmes. The University has worked with well over 1000 SMEs providing consultancy, contract research, skills development, and **Knowledge Transfer Partnerships (KTPs)** since inception.

There have been a number of multi-million pound investments in Cumbria's **knowledge economy** over recent years. These include the National Nuclear Laboratory and the Dalton Cumbria Facility. Such investments reflect the tremendous potential to grow this area of our economy, linking local businesses with state of the art technologies and cutting edge research to turn ideas into viable commercial ventures.

The facilities reflect Cumbria's existing expertise in nuclear research as well as the area's growing reputation in clean and low carbon energy technologies. The SEP outlines plans to support further growth in the area's R&D capabilities, bringing in new students and professionals as well as enabling companies to develop products and services that can be exported.

#### 2.3.2 Creating the right conditions for growth

Many of Cumbria's major employers are part of larger multinational corporations. The LEP partners have been working closely with these employers on potential developments. For example, in Ulverston, partners are focussing attention on ensuring that necessary infrastructure is in place to support a planned £500m investment by **GlaxoSmithKline** in a new biopharmaceuticals facility. Other examples include: **BAE**'s planned investment at Barrow Waterfront, which will provide impetus for further investment, **NuGen**'s proposed nuclear power station, which is being supported by West Cumbrian partners on housing, infrastructure, skills and employment requirements; and **Westlakes** Science and Technology Park, building on the opportunities available around the Sellafield site.

Creating the right infrastructure for growth is of crucial importance. The Local Transport Body has recently agreed its priorities for supporting £7.9m of funding to be invested at Workington Station Hub, access to Maryport Station Hub and Carlisle Currock Bridge, with all projects aimed at improving connectivity and economic growth. The Port of Workington is also in the process of undertaking a full strategic review to inform the development of its long-term investment plan. The Port offers considerable opportunity to increase its offer as a **multi-modal transport hub** providing greater import and export solutions for Cumbrian businesses, solutions to logistics requirements for Sellafield and potentially NuGen, rail links between the east and west of the County as well as surrounding development land ripe for investment. Since the major floods in 2005 and 2009, there has been significant investment in Cumbria on a range of flood defences. However, it is recognised that further investment is required at key business sites.

The County Council has successfully delivered the Carlisle Northern Development Route in 2012, which aimed to unlock development opportunities around Carlisle as well as reduce congestion in the City Centre. The £158m, 13 mile scheme allows easier access to the strategically important Kingmoor Park, to the M6, as well as an important gateway to Scotland and to West Cumbria.

### 2.3.3 Supporting the growth of the rural economy

The **Rural Growth Network** is utilising £5million of DEFRA funding to create around 500 new businesses and 900 new jobs. It has 6 key employment sites and a further 11 'drop-in' growth hubs spread throughout rural Cumbria. These new facilities will combine with targeted business support to provide incubation and expansion bases for companies. Support will be focused around the following themes: Food & Drink, Digital & Creative, Adventure Capital & Country Sports, Women's Enterprise, Social Enterprise and Agri-business & Forestry. The LEP will aim to continue the RGN approach as a method of delivering bespoke rural business support services within the wider Growth Hub approach. This approach can also be widened to incorporate the development of wider service delivery hubs.

A number of our local businesses have not only a national but an international reputation for excellence. The county is also host to important agricultural, forestry and food production sectors. The LEP will utilise the range of funding opportunities at its disposal to ensure that our rural economy is not only sustained, but able to make a full contribution towards economic growth.

In addition, the University of Cumbria Rural Growth Hub on the newly refurbished Ambleside Campus creates a centre of business engagement aligned with academic centres of excellence in agriculture, forestry, conservation, outdoor studies and sustainable leadership. The impact of the investment in IT infrastructure and physical business space will enable innovation, collaborative R&D, and will be built upon to provide industry engaged business service delivery.

Through the Connecting Cumbria programme, the County Council in partnership with BT is delivering Superfast Broadband and aims to achieve at least 93% coverage for Cumbria. This will have a tremendous impact on reducing rural isolation, assisting in the provision of key services as well as opening up greater trading and development opportunities for local businesses.

#### 2.3.4 Other funding streams used to support LEP activities

Cumbria LEP has received £9m of **Regional Growth Fund** since the programme's inception in 2011, with particular focus on the manufacturing sector. In addition to the LEP's RGF programme, some of Cumbria's major manufacturing businesses have successfully secured RGF to support their growth plans.

The LEP is using the **Growing Places Fund** to support investment in infrastructure to unlock employment opportunities and housing development. £1m from this fund has been set-aside as a revolving Small Business Development Loan Fund to provide access to finance and to unlock private sector investment and business growth. The majority of the fund is being used to support the delivery of 182 new homes and is being used to unlock development on key employment sites such as Barrow Waterfront and Rosehill in Carlisle.

#### 2.3.5 Moving forward

As described, Cumbria has successfully delivered a variety of EU and other publicly-funded programmes for many years. Our Strategy outlined in the next chapter will build on our successes as well as clearly adding value to a range of planned major investments throughout Cumbria.

#### 3. THE STRATEGIC PLAN FOR INTERVENTION

The four key drivers needed for our four strategic priorities shape Cumbria's approach to ESIF. This ESIF strategy translates Cumbria's priorities from the SEP into its ask of Europe for growth funding between 2014–2020 for specific projects that will deliver against UK and European priorities.

#### 3.1 SEP Strategic Priorities

The LEP has developed its Strategic Economic Plan 2014-2024, identifying and articulating the range of investment opportunities that, with concentrated resources, effort, and innovation can be delivered in Cumbria. The vision for growth is focussed around four strategic priorities:

- Advanced Manufacturing Growth
- Nuclear & Energy Excellence
- Vibrant Rural and Visitor Economy
- Strategic Connectivity of the M6 Corridor

There are four essential areas Cumbria needs to focus on to create the conditions for growth and deliver across the four strategic priorities.

### 3.1.1 Advanced Manufacturing Growth

- Advanced manufacturing offers significant potential for growth through private sector investment. There is significant concentration in the Furness peninsular, with major proposals for the Barrow and Ulverston area.
- Despite success in this area, there are a number of barriers to growth, which include for example: congestion on the A590 (the only direct strategic road link from Barrow and Ulverston to the M6); frequency of direct rail services to Manchester; the need to integrate extended supply chains; an inability to attract funds for investment; and the ability to attract and retain skilled people.
- This priority aims to address these barriers, so that this sector can continue to grow, serve global markets, and attract people in Cumbria to enter the sector as a career path.

#### 3.1.2 Nuclear and energy excellence

- West Cumbria is at the forefront of investment in the nation's energy security, including the generation of low carbon energy and clean technology products.
- The target for this priority is to deliver over 3,000 new jobs in West Cumbria and around 7,000 construction jobs, as well as continuing to contribute to GVA growth over the next 10 years.
- Nonetheless, a significant skills challenge exists at intermediate and high levels, alongside the need to attract and retain graduate and postgraduates to meet the demands of employers and support growth
- The LEP wants to enhance the areas position in the global marketplace by growing and leveraging existing strengths to benefit Cumbria and UK by becoming more economically diverse and resilient. This will be achieved through investment in a number of programmes including: centre of nuclear excellence; low carbon Cumbria; and infrastructure, connectivity and employment sites.

#### 3.1.3 Vibrant rural and visitor economy

- Cumbria is renowned for its world-class landscape and environment. Not only does the natural environment work to attract people to live and work in the county, it is also a key selling point for products and services supplied from the area. Therefore it is of crucial importance to preserve the quality of the environment.
- To capitalise on the environment, whilst ensuring its protection, there are three main areas
  which the LEP plans to focus on: the creation of a world class visitor destination (focused on
  increasing visitor numbers and spend); rural growth network and growth hubs (focused on
  supporting SMEs and rural communities in accessing business and community support); and
  environmental infrastructure (e.g. through encouraging growth of the forestry industry,
  ecosystem management, and maintaining and broadening rural and agricultural skills).

#### **3.1.4** Strategic connectivity of the M6 Corridor:

- The M6 corridor and the West Coast mainline provide excellent inter-regional links for East Cumbria.
- This connectivity and promotion of the M6 corridor opportunities are key to unlocking the
  economic potential for the area. To maximise these opportunities, investment is required in
  three areas: employment sites (increase take-up of employment land); housing delivery (meet
  the housing and affordability requirements); and culture, education and leisure (increasing the
  presence of the University of Cumbria, investing in educational institutions, and improving
  facilities).

#### 3.2 SEP Drivers

Investment will be required in the following four (known as our economic drivers) to underpin our plan and deliver economic growth:

- Business Support
- Skills Development
- Infrastructure Improvements
- Environmental Sustainability

We will focus our resource and governance to ensure there is coordinated and effective delivery of the investment priorities.

Details of our economic drivers are described below:

#### 3.2.1 Business Support

- Cumbria's businesses offer clear potential to add significant growth to the country's economy. This is dependent on the right economic conditions, support, and ability to access finance.
- Businesses in Cumbria are continuing to take advantage of opportunities to expand sales nationally and internationally, with interest in the export market expanding.
- Although, the LEP recognises the economic contribution of large employers such as BAE and Sellafield, the majority of the growth will come from SMEs, therefore the LEP wants to ensure that the right support, advice and finance is available to those SME businesses with growth potential.

#### 3.2.2 Skills Development

- Whilst unemployment is relatively low in the county, there are issues of underemployment and pockets of high unemployment, as well as areas of significant social deprivation. These areas require targeted interventions to assist people to maximise their own potential.
- Maximising the skills of the population, will result in benefits for Cumbrian employers, who
  require access to a workforce that has the required skills and the ability to adapt to changes such
  as rapidly changing technology.
- Cumbria LEP has established an employer-led Employment & Skills Commission to ensure that local education and skills provision meets the aspirations and ambitions of both learners and businesses alike.
- As well as improving skills, attracting and maintaining skills and knowledge is critical to meeting growth in key sectors in Cumbria. Investment in the skills of our business leaders is also required to realise higher levels of business performance and productivity.
- In particular, Cumbria experiences a skills imbalance at intermediate and higher levels, which need to be addressed to achieve the knowledge based industry aims
- The delivery of entrepreneurial skills should be embedded in all learning and training, particularly with young people, as this will contribute to increasing innovation and productivity; factors particularly important for the advanced manufacturing and nuclear sectors.

#### 3.2.3 Infrastructure Improvements

- There are a number of sites with tremendous potential as business or housing locations, however, many of these need investment in infrastructure to unlock the development opportunities. To bring this to fruition, the private and public sector need to work together to ensure the right public infrastructure is provided that will unlock private sector investment.
- Maintenance of Cumbria's extensive highway network is particularly important for ensuring connectivity between towns and villages.
- Providing new housing is essential to support economic growth. Delivering an appropriate
  housing supply is fundamental to maintaining the workforce necessary to support the economy
  and requires investment.
- Wider investment is also required for Cumbria's strategic networks, including broadband, rail, road, cycleways and public transport to improve connectivity within and to Cumbria.

#### 3.2.4 Environmental Sustainability

- As well as underpinning the growth in other priority sectors, the environment also provides its
  own significant economic opportunities. The natural assets can be harnessed to produce energy,
  thus supporting innovative business growth, providing access to cheaper forms of energy and
  contributing towards reducing carbon emissions, as well as opportunities to nuture and develop
  private markets for eco-system services.
- The Lake District and Cumbria's brand is to become an internationally leading low carbon brand. Further activity is required to support this, maximise best practice, and develop new markets.
- Preventing flood damage through hard defences and improved upland management will be crucial to encourage private sectors investment, including locations such as Ulverston and Carlisle.

#### 3.3 Alignment with EU 2020 Objectives

Our Strategic Economic Plan outlines twelve investment programmes. The SEP Implementation Plan outlines where we propose to use EU funding to complement UK Government funding and, where appropriate, drive forward delivery against the SEP priorities.

The LEP is committed to ensuring that its approach to securing the optimum level of growth is underpinned by the three key EU 2020 objectives of achieving growth which is **Smart**, **Sustainable**, and **Inclusive**.

#### 3.3.1 Achieving Smart Growth

Cumbria has a growing concentration of world-class research & development facilities, linked in particular to our local expertise in advanced manufacturing and nuclear & energy. Partners are committed to securing continued investment in such facilities, increasing the number of students and researchers utilising such facilities and importantly growing the linkages between HE and our business base to help the commercialisation of innovative technologies, and the development of Smart Specialisation in our industries. To support this, the LEP will focus its efforts on supporting growth in the knowledge-based sectors of our economy, ensuring that more high value jobs are created and supporting the approach of smart specialisation.

Further to this, the LEP also intends to continue to support growth in access to Superfast Broadband throughout the county, particularly in key business locations. The **Connecting Cumbria programme** is underway and, through utilising a range of funding including EU, it will provide broadband coverage of a minimum of 24Mb/s to 93% of Cumbria. Access to faster broadband speeds will help our businesses to innovate, to spread knowledge and to distribute goods and services, and they will be supported to do so through the programme. As a predominantly rural county, ensuring that the public as well as businesses are well connected is a key mechanism for enabling effective and efficient delivery of services, skills provision, and reducing rural isolation.

Through prioritising activities that achieve both smart growth and secure greater digital inclusion, the LEP will support efforts to reduce the productivity gap that currently exists.

We will achieve **Smart Growth** by encouraging innovation in our companies and their products and processes and by encouraging growth in knowledge-intensive sectors through public, private, and academic partnerships. This will be supported by delivering a modern infrastructure of connectivity which ensures that Cumbrian companies are not disadvantaged by location, but make the best use of our environmental and locational assets.

#### 3.3.2 Ensuring Sustainable Growth

Our track record in energy-related developments and our excellence in environmental technologies ensure that there is a strong basis on which to develop during the 2014-20 period. Existing activity in energy supply chain development will be enhanced and developed in this programme period as will increased support for new innovative companies seeking to sensitively exploit the energy generating potential of Cumbria's natural resources. In addition, the LEP will play its role in ensuring that growth is sustainable in order to maintain it over the longer term. This will include a central recognition that

Cumbria's natural environment not only offers tremendous economic potential, but its beauty and unique qualities are the key reasons that attract tourists, residents, and investors alike.

The strategy for achieving sustainable growth is centred on four key areas of activity: supporting the development of low-carbon companies and economic activities; reducing environmental risks which may deter economic growth; increasing the competitiveness of all Cumbria's companies; and reducing Cumbria's overall burden of greenhouse gas emissions from transport.

We will ensure **Sustainable Growth** by investing in low-carbon goods and services, and encouraging the growth of activities and companies which will be well-placed to compete in a future; one which is dominated by the need for lower energy, resource use and emissions, and more widely by ensuring the sustainability and robustness of our economic growth through building on our broad, mixed economy, and SME base.

#### 3.3.3 Promoting Inclusive Growth

Cumbria has a highly skilled and specialised workforce, and it is important to harness that strength to ensure that economic growth can benefit companies and people within the area. However, there are also challenges; areas of economic growth are not always close to areas of employment need, and there are parts of the county where the population has suffered from long-term unemployment.

The LEP's approach to Inclusive Growth is focused on supporting individuals, particularly those who are vulnerable or experience chronic disadvantage, to benefit from the growth opportunities in Cumbria. Interventions will be delivered at community level, ensuring that they are accessible, meet the needs of the community and in many cases are run by local community organisations. These include services to tackle fuel poverty, to address financial exclusion, and to deliver public services in communities where these are not currently available or are not accessed.

To ensure that Cumbria can make the best use of the growth of our economy we need to support the development of the skills base. For this to be achieved a skills programme will be developed in close collaboration with employers to ensure that it meets the needs of our growing economy. To support this, we also need to encourage more of our young people to stay within the County and to attract more people to relocate here for work, including support to attract and retain students to the county, and working with universities to raise HE participation levels.

We will promote **Inclusive Growth** so that people from all parts of Cumbria and from all backgrounds can have access to the benefits of economic growth through employment support, skills development and improved services.

#### 3.4 Alignment with the European Structural and Investment Funds Growth Programme

The Government has set up a single European Structural and Investment Funds (ESIF) Growth Programme for the 2014-2020 funding period. This programme is made up of three separate European Funds: the ERDF, the ESF, and the EAFRD. The activities supported by these programmes will contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth.

The ESIF is a central delivery pillar of The Four Pronged Attack and the LEP will ensure that the EU resources that are at its disposal are directed to support achievement of our targets.

In addition, and in recognising the importance of developing a coordinated approach to increasing employment and skills, the LEP has established a private-sector led Employment and Skills Commission that has overseen the development of Cumbria's Skills Plan, which has identified ESF, ERDF, and RDPE funding appropriate for employment and skills support.

#### 3.4.1 ERDF

The ERDF provides funding to different schemes to improve their economic competitiveness. The fund aims to: support innovation and the knowledge-based economy; stimulate enterprise and support successful businesses; ensure sustainable development, production and consumption; and build sustainable communities.

Under this programme there are nine thematic objectives. The priorities and drivers of the SEP will support the delivery of the aims of these objectives. For example supporting the shift towards a low carbon economy in all sectors (thematic objective 4) will be complimented by the nuclear and energy excellence priority in the SEP. Under this priority, the Low Carbon Cumbria programme will focus on building on Cumbria's existing specialisms, and continue to deliver Cumbria's renewable energy potential through Britain's Energy Coast and locally led projects, provide access and support for innovation and energy and resource efficiency, as well as promoting existing technologies.

Another example is Enhancing access to, and use and quality of, Information Communication and Technology (thematic objective 2), which will be supported by the vibrant rural and visitor economy, specifically through the rural growth network and growth hubs programme which involves the rollout of superfast broadband.

#### 3.4.2 ESF

The ESF will deliver the Growth Programme's objectives to promote employment, social inclusion and skills. This programme aims to improve employment conditions, raise standards of living, and support people to gain better skills and therefore job prospects. Through investing in human capital, this programme intends to drive economic growth, productivity and prosperity, whilst promoting sustainable employment.

Within the European Growth Programme, the ESF will focus on supporting 3 thematic objectives. These objectives align with the skills development driver in the SEP. The driver identifies the people of Cumbria as one of its most important resources, and understands that they need to be fully supported to take advantage of the projected economic growth. It identifies the barriers to

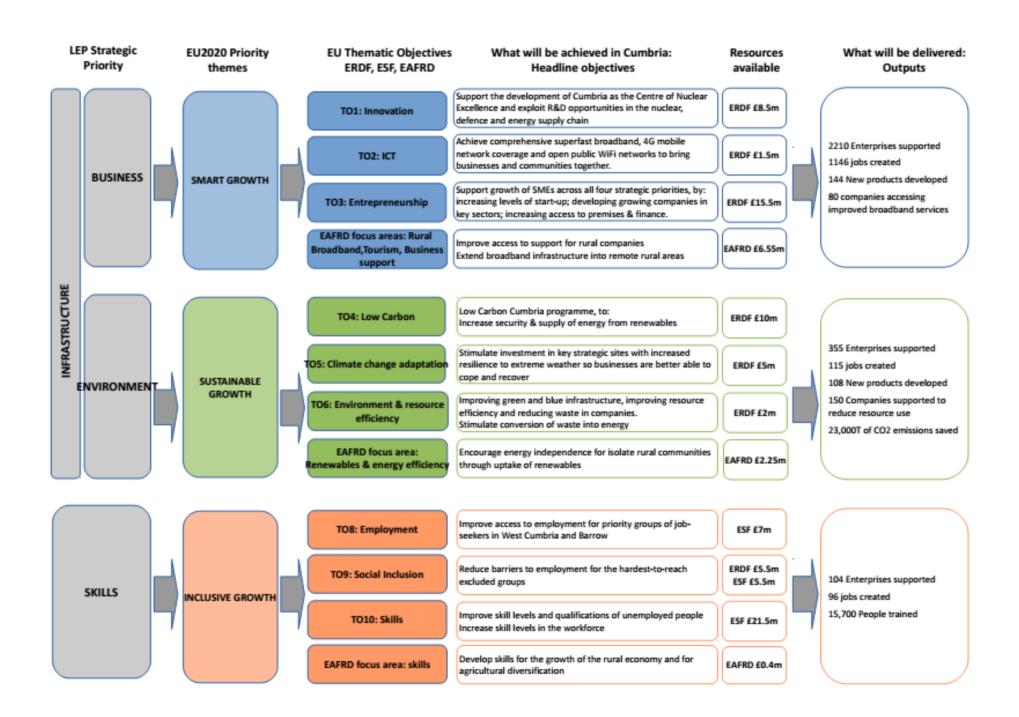
employment that young people face. To overcome these barriers the LEP acknowledges that access to advice and guidance, learning provision and state of the art facilities are required.

#### **3.4.3 EAFRD**

The EAFRD is an agricultural Fund which was set up for the financing of RDP activities. The objectives of the fund are to contribute to the competitiveness of agricultural, and the sustainable management of natural resources and climate action. These funds will complement the ERDF and ESF funds, in that they will support targeted activity in rural parts of Cumbria which will align with the ten TOs of the ESIF.

In line with DEFRA guidance, the EAFRD funds will be structured around the five England priority areas for EAFRD growth funding, that is:

- Skills
- Business Support
- Tourism
- Rural Broadband
- Renewable Energy and Energy Efficiency



### Alignment with the UK's Industrial Strategy

Through developing its Strategic Economic Plan and European Structural Funds & Investment Strategy, the LEP has analysed not only how it can support interventions that will make the greatest contribution to economic growth in Cumbria but the total contribution that these interventions can make to the UK as a whole. As part of this, it has been important to consider the national strategic context for growth and the clear set of priorities that the Government has articulated through a range of policy papers such as the Industrial Strategy and the Witty Review.

	Advanced manufacturing	Nuclear and Energy	Vibrant rural and visitor	Strategic Connectivity of
	Growth	Excellence	economy	the M6 corridor
The Nuclear				
Industrial	✓	✓		
Strategy				
The Offshore				
Wind Industrial		✓		
Strategy				
Oil & Gas		✓		
The UK Strategy				
for Agricultural			✓	
Technologies				
Construction 2025				✓

Cumbria LEP will use European funding resources to support the wider objectives of its Strategic Economic Plan. The LEP regards the ten EU Thematic Objectives as important components of a wider strategy for growth and intends to utilise EAFRD and all ten available EU funding strands to deliver activities within this ESIF.

**Thematic Objective 1** 

Strengthening Research, Technological Development and Innovation

**Smart Growth** 

**SEP Drivers: Infrastructure Improvements + Business Support** 

**Headline Objectives:** 

"Support the development of Cumbria as the Centre of Nuclear Excellence and exploit R&D opportunities in the nuclear, defence and energy supply chain"

#### Rationale:

Cumbria has evident strengths in R&D and Innovation, particularly in two of our key sectors (manufacturing and nuclear & energy). R&D&I activity is focussed on Furness and West Cumbria, with pockets of activity in the east of the County, around the M6 corridor with substantial levels of investment over recent years in a range of state of the art facilities.

Cumbria has a growing HE base from which to develop knowledge and to collaborate between knowledge institutes and companies. Facilities such as the Dalton Cumbria Facility and the National Nuclear Laboratory Central Laboratory (NNL) operate hand in hand to provide opportunities to undertake world-leading research in radiation science and nuclear engineering decommissioning which are central to the Government's Nuclear Industrial Strategy and transfer this knowledge to industry. Local businesses are ideally placed to benefit from such institutions, engaging actively with academia to support full lifecycle development and deployment of innovative technologies which can be used to support the management of the UK's nuclear legacy as well as the future development of new nuclear power generation. This will be achieved, for example through taking the most promising manufacturing processes developed through the New Nuclear Manufacturing Programme (NNUMAN) and developing prototypes at the NNL to kick-start the commercialisation process. These and other R&D facilities can also be utilised to a greater extent to encourage our businesses to take technological processes and apply them to new ventures, opening up new markets and reducing an over reliance on a small number of

Advanced Manufacturing growth

Nuclear and energy excellence Vibrant rural and visitor economy key employers such as Sellafield or BAE Systems.

There is also potential to grow the relationships and opportunities for interaction between our rural and land based businesses and R&D institutions. Cumbria has the potential to play a significant role in supporting the UK Strategy for Agricultural Technologies through expanding its Agri-Tech and land based research offer, supporting methods for engaging local businesses to increase innovation, productivity, new process development and to access new markets. The LEP sees EAFRD funding as being able to unlock significant opportunities in this area.

This theme is well aligned with the Centre for Nuclear Excellence investment programme within the Cumbria SEP.

Strategic Activities	Delivery mechanisms and indicative activities			
Strategic Activity 1: Commercialising Innovative Technologies in Key Sectors	<ul> <li>Facilitating access to existing and new state of the art R&amp;D facilities.</li> <li>Offering specialist development facilities, funding, technical and business expertise to bridge the gap between research and marketable technologies.</li> <li>Delivery of specialist life sciences support to complement the development and expansion of biotech activities.</li> <li>Support on prototype development and investing in new technologies, systems and processes.</li> <li>Supporting Agri-Tech research and development and business engagement with relevant institutions.</li> <li>Nurturing new spin-out businesses.</li> <li>Encouraging entrepreneurship and innovation within key employers.</li> </ul>	✓	<b>✓</b>	
Strategic Activity 2: Nuclear Technology & Innovation Programme	<ul> <li>State of the art R&amp;D and demonstrator facilities.</li> <li>Investment in innovation space including facilities and equipment.</li> <li>Incubation space to support the creation of innovative businesses.</li> </ul>		<b>√</b>	

## **Strategic linkages:**

Advanced manufacturing growth: Advanced manufacturing accounts for approximately 20,000 jobs in Cumbria and offers very significant potential for growth through the LEP's plans to further unlock private sector investment. An **Advanced Manufacturing Initiative** will deliver a manufacturing supply chain programme to support capacity and capability building through specialist advice, including access to finance for innovative products and process improvement, R&D, capital investment and strengthening supplier links. The Advanced Manufacturing Initiative will be complemented by the Supply Chain Development Programme in Strategic Activity 1. In addition an Advanced Technology Training Centre at Furness College and Engineering facility at Kendal College will support skills development, through a graduate recruitment and apprenticeship programme.

Nuclear and energy excellence: The SEP aims to deliver over 3,000 new jobs in West Cumbria and around 7,000 construction jobs in this area. A **Centre of Nuclear Excellence** will sell and export the region's unique skills and expertise in the fields of research, development and innovation in advanced fuel development, robotics, decommissioning, spent fuel management and integrated waste management. This will be supported by a Nuclear Technology Innovation Gateway housing world-class research facilities. It will provide test bed facilities and technology demonstrators, education and training in specialist skills development through the Energy Coast Campus, and supply chain development. With a strategic activity specifically focused on delivering a Nuclear Technology & Innovation Programme, the ESIF strategy will support the SEP in achieving its aims.

#### **SEP Driver Linkages**

Business support: The SEP aims to support SMEs and larger businesses to win more contracts and build a foundation for exports. As a result businesses will enact best practice supply chain practice, resulting in the maximisation of supply chain involvement by Cumbrian businesses in new developments, within Cumbria and elsewhere, as well as enabling them to exploit their international potential. ESIF's Strategic Activity 1 in particular, will support the SEP in achieving this through the delivery of a Supply Chain Development Programme and a Supply Chain Initiative, providing specialist export and skills support. The SEPs delivery the Centre of Nuclear Excellence, will support the development of new technology based products and services, with Strategic Activity 3 in the ESIF directly contributing to the delivery of the centre.

Infrastructure improvements: The SEP highlights that over the next five years it is estimated that there will be around £1 billion of investment in the Furness area from key investors, including BAE Submarine Solutions and Glaxo Smith Kline (GSK). As a result, there are significant opportunities to harness this investment and expertise to develop advance manufacturing within the towns of Barrow and Ulverston. This is recognised in Strategic Activity 2 in the ESIF, and will be supported by the facilitation of access to existing and new state of the art R&D facilities.

EAFRD-specific activity		
Measure 2.1 Support for providing advisory services	See Focus Area 1(a) of the England Rural Development programme: fostering innovation, cooperation and the development of the knowledge base in rural areas	
	Support in Cumbria will include advice to farmers, forest holders and SMEs to develop the competitiveness of their businesses. The sub-measure will also be used to provide knowledge and information necessary to deliver the Programmes environmental and climate objectives under measures 4 and 10.	
Resources:	Outputs:	
ERDF funding	98 enterprises cooperating with research entities	
£8.5m	enterprises supported to introduce new to the market products	
	56 enterprises supported to introduce new to the firm products	

Thematic Objective 2					
Enhancing Access to, and U	se and Quality of, ICT				
Smart Growth					
SEP Drivers: Infrastructure	Improvements + Business Support				
Headline Objectives:					dor
"Achieve comprehensive s	uperfast broadband, 4G mobile network coverage and open public WiFi networks to bring businesses and communities together."	uring growth	y excellence	tor economy	the M6 corri
Rationale:		fact	nerg	visi	of v
business growth. The £52m broadband to 93% of home connected and that barriers encouraged and supported flexibility around working located ERDF funding will address the content of the co	on, rural nature and dispersed business base make fast and efficient broadband a basic prerequisite for Connecting Cumbria programme is currently being delivered and will provide access to superfast and businesses across Cumbria by 2015. This is playing a key role in ensuring Cumbria is better to growth relating to the ICT infrastructure are removed. It is essential that our businesses are to use the new fibre broadband as a primary method of helping to: improve business efficiency; offer cations; and support new and improved methods of trading and marketing. The pressing need to improve infrastructure, and the need to improve business uptake and use of ICT. It alonkages with the Rural Growth Network, where super-fast support is already enabled, and where dispersed rural areas.	Advanced Manufacturing	Nuclear and energy excellence	Vibrant rural and visitor economy	Strategic Connectivity of the M6 corridor
Strategic Activities	Delivery mechanisms and indicative activities				
Strategic Activity 3: Superfast Broadband for Businesses	<ul> <li>Specialist business support for SMEs to enable businesses to encourage customised usage of Superfast Broadband, this will include support for rural enterprises.</li> <li>Support to encourage greater use of online trading, marketing and export.</li> <li>Support to encourage greater innovation in SMEs utilising ICT.</li> <li>Investment in ICT infrastructure in key business locations to enable appropriate access.</li> <li>Investment in ICT infrastructure in peripheral and rural locations, in areas not covered by commercial roll-out</li> </ul>	<b>✓</b>	✓	<b>✓</b>	✓

### Strategic linkages:

**Nuclear and energy excellence:** The SEP aims to deliver jobs and GVA growth over the next 10 years through energy excellence and low carbon technologies. Key to this is the right **infrastructure** to provide sustainable, resilient connections between businesses and their markets and workforces is fundamental to realising the economic potential in West Cumbria. Investment in virtual connectivity technologies (e.g. superfast broadband) to support growth in high-technology businesses and academic research is key area where the ESIF programme can support these ambitions.

Vibrant rural and visitor economy: The SEP recognises that digital connectivity is a key issue for rural communities. The Connecting Cumbria programme is already making good progress with the roll-out of superfast broadband to ensure 93% of the county will have speeds of at least 24 Mbps. Additional funding will be required for the remaining 7% supported by contributions committed by BDUK. ESIF is further able to support delivery of rural broadband ambitions (including Comprehensive superfast broadband, 4G mobile network coverage, and open public WiFi networks) through the **Rural Growth**Network and **Growth Hubs.** 

Advanced manufacturing growth and Strategic Connectivity of the M6 Corridor: Infrastructure is an important element in the delivery of key programmes within the Advanced Manufacturing and Strategic Connectivity of the M6 Corridor. In particular ESIF will support delivering growth in **Uliverston**, at **Barrow Waterfront** and at strategic sites along the **M6 corridor** is dependent on a high quality ICT offer that works to support businesses that might be drawn to these locations.

#### **SEP Driver Linkages**

Infrastructure: Broadband has been identified by the LEP and local partners as the most important intervention required in order to improve connectivity. As a result, the County Council is working alongside BT to roll out the next generation of broadband through the £52 million Connecting Cumbria Programme. Thematic Objective 2 has one Strategic Activity (Superfast Broadband for Business), its delivery mechanisms, such as specialist business support and support to encourage greater use, will complement broadband delivery. Investment in ICT infrastructure at key business locations will directly support the implementation of this programme.

**Business support:** The **Cumbria Business Growth Hub** delivery project will support both urban and rural businesses. A key area of delivery is the provision of Business start-up support, which includes **ICT/broadband support**. Therefore, the planned activities under Strategic Activity 4 focusing on supporting businesses will assist in the delivery of the Growth Hub.

EAFRD-specific activity	
Sub-measure 7.3	Provide capital grants to support the rollout of broadband using innovative technology to ensure access where traditional fibre broadband is not a cost effective option, including:
	<ul> <li>Support for broadband infrastructure in 5-10% hard to reach rural areas</li> <li>Provision of demand aggregation and stimulation schemes, and</li> </ul>

	Training support to rural businesses and communities
Resources:	Outputs:
ERDF funding*	160 enterprises receiving support
£1.5m	58 employment increase in supported enterprise
EAFRD funding	75 additional enterprises accessing ICT products and services including broadband
£2m	
*ESF will also be used to support and increase use of broadband.	

Thematic Objective 3	ness of Small and Medium-Sized Enterprises				
Smart Growth	iless of Sitiali and Medium-Sized Enterprises				
	mprovements + Business Support				
Headline Objectives:		ļ ţ	ce	ų Ž	<u>0</u>
"Support growth of SMEs	companies in key sectors; increasing access to premises & finance."	turing grow	rgy excellen	sitor econor	e M6 corrid
SMEs are the drivers for Cundoes not capture the estima maintains an excellent record Our SMEs are important supcontribute towards the UK's technologically advanced fir from diversification in the again develop. Activity such as demonstrate their ability to	inbria's economy with over 21,000 firms making up 99.7% of the total business base. This however ted additional 10,000 micro-enterprises in Cumbria which are not registered for VAT/PAYE. The County of in terms of business survival over three years with the LEP currently the top ranked in the country. In policies to the large companies in the County, play a substantial role in sustaining our rural economy, need for energy and food security and many are also securing growing credentials as innovative and mas, penetrating new international markets and increasing exports. Furthermore, many SMEs grow griculture sector and farm businesses can provide the location and the infrastructure from which SMEs is this is vitally important in an ever- increasing global economy where smaller local firms now need to compete, not only on the local and national level, but on the international stage.  This however the country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies as a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country. The country is a substantial policies and in the country is a substan	Advanced Manufac	Nuclear and energy excellence	Vibrant rural and visitor economy	Strategic Connectivity of the M6 corridor
Strategic Activities	Delivery mechanisms and indicative activities				
Strategic Activity 4: Encouraging Entrepreneurship and Business Start Up	<ul> <li>A County-wide Business Start-Up Programme. This will be linked with other relevant initiatives, supporting pre-starts and young businesses, including social enterprises, a specialist advice and support to encourage knowledge intensive graduate start-up and spin- out businesses from Higher Education and R&amp;D activities.</li> </ul>	✓	✓	✓	

	<ul> <li>Pilot Incubation Initiatives such as the MASS Challenge approach.</li> <li>Encouraging entrepreneurship and innovation within key employers, both existing business and new start-ups.</li> <li>Leadership and Management activities providing higher level skills for employed individuals and businesses.</li> <li>Entrepreneurship support to enable business leaders to make and implement critical growth decisions successfully.</li> </ul>				
Strategic Activity 5: Developing Customised Support for Growing Businesses	<ul> <li>Development of a single Cumbria Growth Hub to provide:</li> <li>Support for businesses aspiring to grow.</li> <li>Tailored international trade support through a UKTI Opt-In.</li> <li>Specialist support to support growth in the Social Enterprise sector.</li> <li>Sector specific programmes, e.g. supporting SMEs in advanced manufacturing, food &amp; drink, energy, agriculture and other key sectors through developments in new processes and production techniques.</li> <li>Support to enable SMEs to play an enhanced role in supply chains throughout the County.</li> </ul>	<b>√</b>	<b>√</b>	<b>~</b>	
Strategic Activity 6: Business Premises for Growth	<ul> <li>Establishment of more employment sites in the Rural Growth Network.</li> <li>A targeted programme of business premises development where they are needed to support business growth, including themed developments to support clusters.</li> <li>Incubation space to foster the development of new SMEs and micro-enterprises.</li> </ul>	<b>√</b>	✓	✓	
Strategic Activity 7: Supply Chain Initiative for Knowledge-intensive Sectors	<ul> <li>Supply Chain Development Programme building on potential Advanced Manufacturing Supply Chain Initiative, BEC's refreshed Energy Opportunities Supply Chain Project and MAS support.</li> </ul>	<b>✓</b>	<b>✓</b>	<b>✓</b>	
Strategic Activity 8: Business Access to Finance	<ul> <li>Access to finance, including venture capital and peer funding, loan and equity funding for SMEs.</li> <li>Small Business Development Loan.</li> </ul>	<b>✓</b>	<b>√</b>	<b>✓</b>	

## Strategic Activity 8a: Local Impact Fund

 Support to support innovation in the Social Enterprise sector, through the provision of a Local Impact Fund, providing loan finance and wrap-around support to emerging and growing social enterprises.



#### Strategic linkages:

Advanced Manufacturing Growth: Cumbria has low business start-up rates and the SEP has wide-ranging ambitions to support business start-ups, helping them to grow and develop. There is a strong focus on Advanced Manufacturing – and ESIF funding will complement ambitions to deliver improved skills for SMEs and supply chain businesses. The Growth in Ulverston priority, in particular, is focussed on investing Local Growth Fund to unlock employment land for SMEs and supply chain businesses to accommodate hundreds of new jobs and ESIF will complement and support delivery of these goals.

**Nuclear and energy excellence:** The ESIF Programme will support growth and development in priority sectors. This will focus in particular on the nuclear and energy excellence priority within the SEP, which is seeking to encourage start-up companies in the sector (as well as supporting them by building on existing institutions and supply chain linkages). The SEP is also aiming to provide business advice to SMEs on energy and resource efficiency to reduce costs, consumption and to enable business to fully utilise low carbon technology and investment in energy efficiency programmes.

Vibrant rural and visitor economy: The SEP recognises that Cumbria has a high proportion of small businesses, dispersed over a large rural area, with many areas constrained by limited access to support services, employment sites and affordable housing. To further business start-ups and expansions, the ESIF programme will support the SEP in building upon pioneering new approaches to business support already tested in Cumbria, and ensure digital connectivity is no longer a barrier to growth. In addition, the ESIF programme will complement the Rural Growth Network to broaden its reach and impact, working with the Cumbria Business Growth Hub to deliver support to SMEs and ensure that rural communities are able to access the necessary business support.

## **SEP Driver Linkages**

Business Support: The Cumbria Business Growth Hub delivery project will be directly supported by this thematic objective. The Hub will deliver a package of start-up support, including help for young businesses in their first three years of trading, as well as specific support to facilitate higher growth, higher tech start-ups. The SEP also highlights the delivery of support to priority sectors, this includes the Innovus Initiative led by the University of Manchester and National Nuclear Laboratory within the Nuclear Centre of Excellence, which aims to support the development of new technology based products and services. Specifically activities under Strategic Activity 5, such as the county-wide business start-up programme, will support the SEP's with these plans. Whilst activities under Strategic Activity 6, will deliver customised support to the SEP's priority sectors, such as manufacturing support through the Manufacturing Advisory Service Opt-In, and sector specific programmes.

Infrastructure improvements: The Rural Growth Network programme aims to improve the connectivity and accessibility to services for rural communities. To support this, the ESIF strategy plans to deliver specific support to rural businesses & agricultural diversification. The SEP highlights that

the nuclear sector is increasingly looking for suitable employment land, however, suitable sites are not easily accessible. As a result the SEP plans to deliver a number of **infrastructure improvements** to support activity in this area. Strategic Activity 7, **Business Premises for Growth**, will complement activities in this area.

EAFRD-specific activity	
Sub-measures: 2.1, 4.2, 6.2, 16.3, 16.4	Increase support for small and micro-enterprises through capital investment, alongside business training and advice to help them overcome barriers to growth such as access to finance and business space.
	The majority of support will be delivered under Measure 6: farm and business development mainly in the form of capital grants. However, spend will be also directed towards cooperation activity to promote innovation and knowledge transfer through shared experience and cooperation, under Measure 16.
	Spend on business support will also be complemented by investment through the LEADER approach under Measure 6 which will lead to increased job creation or increased productivity.
Resources:	Outputs:
ERDF funding*	1700 enterprises receiving support
£15.5m	438 new enterprises supported
EAFRD funding	970 employment increase in supported enterprises
£2.15m	16 enterprises supported to introduce new to the market products
	16 enterprises supported to introduce new to the firm products
*ESF will also be used to complement activities in this theme.	

Thematic Objective 4	ls a Lovy Carbon Economy in all Sectors				
Sustainable Growth	ls a Low-Carbon Economy in all Sectors				
	mprovements + Environmental Sustainability				
Headline Objectives:	mprovements : Environmental sustainability		e	2	<u></u>
"Low Carb	on Cumbria programme, to: increase security & supply of energy from renewables."	ggrowth	sy excellen	tor econor	M6 corrid
Rationale:		urin	nerg	visi	the
The LEP will ensure that its approach to growth supports the principles of sustainable development, investing in low-carbon goods and services in a way which decouples economic growth from environmental damage. With energy as one of the key sectors for the Cumbrian economy, the area has the potential to make a significant contribution to the national low-carbon agenda, through its growing R&D base, through harnessing the power-generating potential of its natural environment and through increasing energy efficiency measures within public buildings, businesses and homes.		Advanced Manufact	Nuclear and energy excellence	Vibrant rural and visitor economy	Strategic Connectivity of the M6 corridor
Within the County the Low Carbon Goods and Services sector supports approximately 400 businesses employing 8,100 people with £1.13bn of sales in 2011/12. In addition, Cumbria has long-standing expertise in designing, building, testing and commissioning civil nuclear reactors and this knowledge could be applied for example, to the development of micro-nuclear reactors which can provide a cost-effective, reliable solution in emerging countries which have an increasing demand for electricity. With miles of coastline, hectares of woodland and an abundance of water these features are being harnessed to develop offshore wind, hydro, marine, solar as well as oil & gas and biomass energy and with targeted support, energy production can be increased as well as the development of associated technologies and solutions that can be exported.					Str
Strategic Activities	Delivery mechanisms and indicative activities				
Strategic Activity 9: Low Carbon Business Growth	A programme for low-carbon business growth will offer support for companies leading the way in renewable energy generation, including waste to energy as well as the development	<b>✓</b>	<b>✓</b>	✓	

Strategic Activity 10:	<ul> <li>of effective supply chains, including those linked to wood fuel, biomass, geothermal, hydro, wind and tidal energies.</li> <li>A Cumbria Woodland Enterprise Zone, building on Cumbria's position as the largest forestry processing hub in England and on existing work undertaken through RDPE and the Rural Growth Network. This will support coordinated development within the forestry sector, aid for capital investment in state of the art machinery, supply chain development as well as the development of supporting infrastructure.</li> <li>The development of local energy supply companies, at the community level or across a wider geography to ensure cheaper energy provision locally to help address energy poverty as well as creating commercial competitive advantage.</li> <li>Development of Low-carbon R&amp;D and Innovation Centres of Excellence.</li> </ul>				
Low Carbon R&D and Innovation Facilities		<b>√</b>	<b>√</b>		
Strategic Activity 11: Energy Efficiency & Microgeneration	<ul> <li>A programme of energy efficiency measures which would encompass energy savings and retrofit activities in social housing, companies, industrial premises and public buildings, and amongst groups of farms and communities in rural areas, and increase business competitiveness.</li> <li>Renewable energy micro-generation schemes in social housing, public buildings and rural communities throughout Cumbria, linked to low-carbon skills training delivered as part of our skills programme.</li> <li>Developing the capacity of rural enterprises to generate and use their own renewable energy</li> <li>Promote and support emerging opportunities in ecosystem management, including programmes of carbon brokering and biodiversity offsetting.</li> <li>Development of localised district heating schemes for domestic and commercial use.</li> </ul>	<b>✓</b>	<b>✓</b>	<b>✓</b>	1

## Strategic linkages:

**Vibrant rural and visitor economy:** The SEP recognises that Cumbria's environment needs to be managed and protected in a sustainable way. Cumbria's world class environment offers its own economic growth opportunities, for example Cumbria has the potential to become a market leader in the low carbon sector. Cumbria's ESIF programme is fundamentally aligned with this priority and in particular will encourage the growth of the forestry industry, bolstering its commercial presence and value in Cumbria, establishing a **Woodland Enterprise Zone** and developing a forestry and timber programme.

Nuclear and energy excellence: A key element of the SEP is the delivery of targeted support to improve competitiveness in the business community through resource and energy efficiency – the **Low Carbon Cumbria** programme. The ESIF programme will support the SEP to focus on a range of activities including business advice to SMEs on energy and resource efficiency to reduce costs, consumption and to enable business to fully utilise low carbon technology and investment in energy efficiency programmes.

Strategic Connectivity of the M6 Corridor: The range of activities proposed for the M6 corridor under the LEP – from employment and housing land, to culture, education and leisure activities – presents a number of opportunities for the delivery of various low-carbon objectives that cohere excellently with ESIF programme. The development of around 19,000 new homes and thousands of new jobs presents a number of opportunities to invest in low carbon solutions to challenges in areas ranging from public transport to housing stock.

Advanced Manufacturing Growth: Manufacturing, and advanced manufacturing in particular, accounts for approximately 20,000 jobs in Cumbria and offers very significant potential for growth through the LEP's plans to further unlock private sector investment. The ESIF programme will provide support to the SEPs ambition to grow advanced manufacturing through capitalising on low carbon savings for businesses, and the development of key nuclear, and other low carbon sector based businesses.

#### **SEP Driver Linkages**

Environmental Sustainability: This driver is clearly correlated with this thematic objective. The SEP notes that the Cumbria will be supporting the Government's target of an 80% reduction of carbon and greenhouse gas emissions by 2050, from 1990 levels. The growth and knowledge transfer through the Nuclear Centre of excellence, and the emergence of low carbon technologies, provide numerous opportunities for the people of Cumbria, including diversification, entrepreneurship and job creation. Having Nuclear and Energy Excellence as a priority within the SEP means that Cumbria can deliver this driver across the county. Further to this, the woodland enterprise zone, will support the growth of the forest industry in Cumbria helping to improve carbon storage. Delivery mechanisms under Strategic Activity 9 will help deliver this through aid for capital investment in the necessary machinery, supply chain development, and development of supporting infrastructure. The use of renewable energy in supporting Cumbria meet its energy needs has been noted in the SEP, identifying the significant contributions that can be made through hydro, marine, solar and biomass energy. As an example, the SEP describes the opportunities available for energy generation in core farming businesses, such as anaerobic digestion, wind turbines, and solar energy production. Again Strategic Activity 9 and related delivery mechanisms will aid Cumbria in achieving its energy goals.

**Infrastructure Improvements:** This driver has not identified any specific infrastructure priorities for this thematic objective. However, the SEP highlighted that the sustainable transport proposals with the SEP (the transport programme to support the visitor economy – Optimising Connectivity, and the provision of rural community transport) will have low carbon benefits.

#### **EAFRD-specific activity**

0.1	Investment in renewable energy to capitalise on the growing renewable energy costs, and the encortunity to enhance
Sub-measures 2.1, 7.2,	Investment in renewable energy to capitalise on the growing renewable energy sector and the opportunity to enhance
8.6, 16.4	benefits to communities from renewable energy.
	Including support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy savings e.g. community renewable energy production and distribution networks. This could include costs of feasibility studies and construction of renewable energy production plant and distribution capacity
Resources:	Outputs:
ERDF Funding	270 enterprises receiving support
£10m	85 new enterprises supported
EAFRD funding	115 enterprises supported to increase employment
£2.25m	<b>54</b> enterprises supported to introduce new to the market products
	<b>54</b> enterprises supported to introduce new to the firm products
*ESF will also be used to	14,000 estimated GHG reduction
complement activities in	
this theme.	

The metic Objective F					
Thematic Objective 5  Promoting Climate Change A	Adaptation, Risk Prevention and Management				
Sustainable Growth	daptation, risk Frevention and Management				
	mprovements + Environmental Sustainability				
Headline Objectives:				Ę	
"Stimulate investment in ke	ey strategic sites with increased resilience to extreme weather so businesses are better able to cope and recover."	uring growth	sy excellence	Vibrant rural and visitor economy	M6 corridor
Rationale:		fact	nerg	and	the
Cumbria's most extreme risk from climate change, and our greatest need for adaptation measures, are from fluvial and coastal flooding throughout the County, exacerbated by tidal risk and storm surges in the west and south of the County. Cumbria experienced devastating flooding in both 2005 and 2009, with both instances resulting in considerable impacts on the environment, to businesses and to residents alike. In 2009, 80% of businesses in Cockermouth were affected by flooding along with some significant damage to businesses in South Lakeland with the total damage estimated to be almost £12m. In addition, the disruption to transport infrastructure had tremendous impacts on businesses, particularly in the Workington area, mainly through the damage inflicted on a number of bridges.			Nuclear and energy excellence	Vibrant rural	Strategic Connectivity of the M6 corridor
Substantial investment has been made by the County Council, United Utilities and the Environment Agency to put in place flood prevention measures, a prime example being in Cockermouth where investment in such measures ensured that local businesses had the confidence to remain in existing premises retaining high value jobs in the area. This programme seeks to invest in flood defences as well as explore opportunities for innovative approaches to environmental risk, such as the development of Green Infrastructure in key catchments, and the use of upstream land management approaches to reducing flood surge risk.					
Strategic Activities	Delivery mechanisms and indicative activities				
Strategic Activity 12: Flood Risk Prevention for Business Growth	A programme of flood risk prevention schemes which reduce the risk from flooding for existing businesses, allowing them to develop and grow in otherwise vulnerable sites, encourage business confidence and reduce the risk costs from floods. These measures will	✓		<b>✓</b>	

include not only capital schemes for flood prevention, but water management programmes,		
capitalising upon its ready supply and quality, and managing flood risk, through upland land		
management and hard defences.		

#### Strategic linkages:

Advanced Manufacturing Growth: The ESIF programme will support SEP proposals to deliver flood mitigation measures to enable development of housing and employment sites in **Ulverston**. The South Lakeland Local Plan identifies employment land on the south side of the town, and 1,360 new homes are proposed for the area.

Vibrant rural and visitor economy: The SEP also recognises that Cumbria's environment needs to be managed and protected in a sustainable way. To capitalise fully upon the environment in a sustainable way, the key activities within the **Environmental Infrastructure** programme include a focus on the management of water. This activity is intended to manage flood risk, both through upland land management and hard defences – with flood alleviation enabling pent-up demand for development and economic growth on land currently at risk from flooding.

#### **SEP Driver Linkages**

Environmental Sustainability: The risk of flooding is a key issue in the SEP. To overcome local hard engineering solutions and catchment-wide natural flood management solutions are required, initially focusing on protecting land with high growth potential. As a result, the Cumbria LEP will be able to proactively attract potential investors to 'future proofed' land and opportunities. The ESIF recognised the importance of addressing the flood risk, and as a result there is a single strategic activity for this theme. As a result the related activities specifically support the plans in the SEP to minimise the risk and maximise the opportunity, including a programme of flood risk prevention schemes for key sites, and programmes focused on unlocking development land. Further to this, the ESIF highlights that already there are some industrial sites at risk from flood events, and note that there is opportunity to develop partnership solutions with the businesses involved.

Infrastructure improvements: Flood projects, combined with highway and transport projects, will unlock future employment land around the town whilst supporting the future investment plans of existing key businesses. The area south of the town centre is low lying close to the Ulverston Canal and River Leven estuary is particularly problematic. Due to the frequency and recent flooding, Cumbria County Council will not allow any further development in this area until the flood risk is alleviated. The ESIF will deliver activities to support these infrastructure plans, such as upland land management and hard defences.

Resources:	Outputs:
ERDF funding	1.5ha infrastructure site development including green infrastructure
£5m	

Thematic Objective 6					
	ent and Promoting Resource Efficiency				
Sustainable Growth					
	re Improvements + Environmental Sustainability	1			
Headline Objectives:					
"Improving gr	een and blue infrastructure, improving resource efficiency and reducing waste in companies."				
, , ,	"Stimulate conversion of waste into energy"				
Rationale:					
important that any activite embedded within any involution in addition to the need at balance the growth that the negative impacts on the extension of the exte	al environment is easily regarded as one its greatest assets presenting significant opportunities, so it is by the LEP supports is mindful of this fact, with the need to protect and enhance the environment strongly estment decisions.  Individual decisions and enhancing Cumbria's natural environment is the requirement to the LEP plans to support with encouraging greater resource efficiency within businesses to limit any environment. Through increasing resource efficiency, businesses can realise significant economic benefits after efficiency in processes and technologies as well as exploring how businesses can work in partnership or explore alternative sources of power. Existing work undertaken by the ESTA project has demonstrated as sectors to Cumbria's economic growth.	dvanced Manufacturing growth	Nuclear and energy excellence	Vibrant rural and visitor economy	
Strategic Activities	Delivery mechanisms and indicative activities	Ad		Vib	,
Strategic Activity 13: Business Resource Efficiency for SMEs	<ul> <li>A programme of business resource efficiency will have the joint benefits of reducing business costs by helping them to achieve savings whilst protecting the environment.</li> <li>Support for waste reduction measures to reduce the environmental impact of waste. This would contribute towards reduced public expenditure as well as creating new business opportunities.</li> </ul>		<b>√</b>	✓	
Strategic linkages:					

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business advice to SMEs on energy and resource efficiency to reduce costs, consumption and to enable business to fully utilise low carbon technology and

investment in energy efficiency programmes. This will complement activity under Thematic Objective 4.

Vibrant rural and visitor economy: The quality of Cumbria's landscape is a key driver behind people choosing to live and work in the county and a key selling point for many of its products and services. Cumbria's environment therefore needs to be managed and protected in a sustainable, resource efficient way.

# **SEP Driver Linkages**

**Environmental Sustainability:** As part of the low carbon Cumbria initiative, support programmes will be developed which offer practical advice to agricultural and non-agricultural businesses in rural areas to **form the supply chain for raw materials** (e.g. biomass from animal waste and wood) to support larger businesses, as well as becoming energy producers themselves. Environmental sustainability impacts should be driven across the SEP, for example **maintenance of current environmental assets**, and development which promotes **suitable use of green spaces**, **sensitive to climate change** and **resource efficiency**. The ESIF strategy will help support businesses in realising the opportunities identified in the SEP, e.g. improved business resource efficiency resulting in reduced business costs and positive environmental benefits.

**Infrastructure improvements:** The SEP describes how it is important for Cumbria to **continue growing as a world class visitor destination**, without having a detrimental impact on the natural environment. Strategic Activity 14 will support continued resource efficiency within SMEs.

## **EAFRD-specific activity**

Activities under this Thematic Objective will be complemented by support to businesses in rural areas through EAFRD measures 2.1, 4.2, 6.2 and 6.4, described under TO3.

Resources:	Outputs:
ERDF funding	150 companies supported with business resource efficiency
£2m	9,000 estimated GHG reductions

Thematic Objective 8					
	nd Supporting Labour Mobility				
Inclusive Growth					
SEP Drivers: Skills					
Headline Objectives:					
"Improve	access to employment for priority groups of jobseekers in West Cumbria and Barrow."				
Rationale:					
Although Cumbria records higher than average employment rates, there remain pockets of high unemployment, particularly in parts of West Cumbria, Furness and Carlisle. In addition to these areas of high deprivation, the rural nature of the County results in some significant access issues for a large part of the population in terms of being able to access employment as well as continuing issues around under-employment.  Through utilising a range of past funding streams, including North West Development Agency, DWP, ESF, RDPE and Coalfields Regeneration to name but a few, Cumbria has delivered a range of successful employment support programmes. We have gathered a great deal of learning from these past schemes and understand the challenges facing our more disadvantaged and remote rural areas. In addition we are fully in tune with the existing range of mainstream employment support provision and can see significant opportunities to utilise European Funding to add value to this provision through the development of relevant employment support programmes.			Nuclear and energy excellence	Vibrant rural and visitor economy	Strategic Connectivity of the M6 corridor
Strategic Activities	Delivery mechanisms and indicative activities				Strat
Strategic Activity 14: Employment Support Programmes in Areas of Disadvantage	Delivered through an opt-in arrangement with DWP, this TO will support focussed, locally-delivered activity to engage with individuals to further enhance their opportunities for securing employment. through:  • On-going mentoring support  • Enhanced digital skills and access  • Expert advice on job search activity such as CV development, interview skills and identifying opportunities  These services will be available at drop in centres based within pockets of high unemployment.	✓	<b>✓</b>	<b>✓</b>	

Local programmes will be aimed at groups who are over-represented amongst the workless in Cumbria, particularly:

- Individuals claiming Employment Support Allowance
- Those who have been unemployed over 3 years
- Those who are over 50
- Those who are currently not working due to health related conditions
- Lone Parents
- Carers

# Strategic linkages:

Advanced manufacturing growth: The local workforce skills will be key to supporting the expansion of the Cumbria's major blue-chip companies. The Advanced Technology Training Centre at Furness College and Engineering facility at Kendal College will help to assist in skills development. The apprenticeship programme, focused on engineering skills development. Delivery mechanisms under this strategic activity, such as work with employers to offer work experience opportunities and support for employers to understand the benefits of apprenticeship schemes will further support access to skills development and employment.

**Nuclear & Energy Excellence**: The Energy Coast Campus will support local residents to access employment opportunities. The delivery mechanisms under this strategic priority focuses on **improving access to employment**, particularly for those that are more likely face barriers to entering employment for example work experience and pathways to employment support.

**Vibrant Rural and Visitor Economy**: Through the provision of dedicated quality training, Cumbria plans to develop home-grown talent in hospitality and leadership skills. The provision of sector based work academies, providing pre-employment training and work experience placements.

# **SEP Driver Linkages**

**Skills Development:** This driver highlights that that Cumbria is seeking to secure better alignment between SFA and DWP programmes for unemployed people. This will help to offer greater flexibility for those under 25 so they are able to take advantage of **work-related skills development** that will support them to move into employment. This driver also notes that they will expand the type of support offered to the 3,000 people in Cumbria aged 16-18 who are not in education, employment or training (NEET). A number of the delivery mechanisms under this priority will help support the reduction of people who are classed as NEET, this includes: employment support programmes, information, advice and guidance, pre-employment support, and life skills.

# **Skills plan Strategic Theme**

Transition into Work: This thematic objective will support the transition into work strategic theme which aims to assist Cumbria's residents to access and

**sustain rewarding employment opportunities**. Specifically, this thematic objective will support the **return to work** and **increasing youth employment options and careers guidance** priorities. Activities under return to work will help to support people out of work re-skill, up-skill and or/build the confidence to secure employment. The Skills Strategy draws attention to previous schemes in the country, supported by European funding, to help people return to work. The strategy recognises that lessons can be learnt from these projects, or be continued via the opt-in arrangements with the Department for Work and Pensions.

Resources:	Outputs:
ESF funding	<b>2300</b> participants (of those 1150 unemployed and 1150 inactive, of which 1590 number of participants aged 15-24)
£7m	participants (or those 1130 unemployed and 1130 mactive, or which 1390 number of participants aged 13-24)

Thematic Objective 9						
Promoting Social Inclusion	and Combating Poverty					
Inclusive Growth						
SEP Drivers: Skills						
Headline Objectives:			Jce	m V	dor	
	"Reduce barriers to employment for the hardest-to-reach excluded groups"	g growth	Nuclear and energy excellence	Vibrant rural and visitor economy	Strategic Connectivity of the M6 corridor	
Rationale:		Advanced Manufacturing	nerg	visi	the	
• •	Linked to wider employment support programmes, including mainstream activities, local programmes for social inclusion and the development of social enterprise activity will build community cohesiveness, whilst creating a bridge to employment in disadvantaged areas.					
The LEP will seek to support efforts to increase capacity within the voluntary sector to enable a continuation of the delivery of high quality support services to those within our communities who are most in need, this can be especially relevant in our more isolated rural communities.					Strategic (	
Strategic Activities	Delivery mechanisms and indicative activities					
Strategic Activity 15: Social Enterprise and Inclusion Activities – Big Lottery opt-in	Activity in TO9 will focus on engaging those furthest away from the labour market. In this SA, an optin with the Big Lottery will support focussed activity to engage with individuals to:  • Enhance the confidence, aspiration and self-belief through structured activity  • Support people to overcome digital barriers to securing employment  • Support people to overcome health barriers to securing employment  It will concentrate on individuals furthest from the labour market, particularly:  • Individuals claims Employment Support Allowance  • Those who have been unemployed over 3 years  • Those who are over 50  • Those who are currently not working due to health related conditions			<b>✓</b>	<b>✓</b>	

	<ul><li>Lone Parents</li><li>Carers</li></ul>		
Strategic Activity 16: Social Enterprise and Inclusion Activities – local delivery	<ul> <li>In order to respond to local needs, open calls for projects will support more targeted work in the social enterprise sphere, including:         <ul> <li>Support to develop the Social Enterprise sector, with a focus on encouraging people to move from unemployment into social enterprise businesses and for communities to consider how social enterprises can deliver locally relevant services. This will link with asset transfer to the community and the development of social infrastructure.</li> <li>Financial inclusion support and advice, reducing reliance on payday lending schemes and improving money management.</li> <li>Activities to reduce discrimination in the labour market and ensure that all sectors of society have the opportunity to secure employment.</li> <li>Tackling barriers to work, including child or other care responsibilities, low skills, transport, confidence, health issues and support for ex-offenders.</li> </ul> </li> </ul>		

#### Strategic linkages:

The delivery mechanisms under Strategic Activity 17 will support the pursuit for employment and enterprise growth in the **vibrant rural and visitor economy** and the **strategic connectivity of the M6 corridor**.

# **SEP Driver Linkages**

**Skills Development**: A key priority of the LEP is to **identify the skills and training needs, and barriers to training and employment** throughout Cumbria. One of the aims of the LEP is to look at the challenges faced in areas of **deprivation and other inequalities** alongside areas of job opportunity, in order to identify appropriate actions. This compliments this strategic activity which aims to promote social inclusion.

# **Skills plan Strategic Theme**

**Building Skills in Education**: **Core skills, flexibility and enterprise**, will help to reduce barriers to employment through a lack of skills and education. Skills providers recognise the importance of core skills, flexibility and equipping learners with appropriate work readiness skills. This should be supported by links between industry and education. Further to this, it also notes the importance of **providing enterprise education activities** in Cumbria. Progress has been made in this area, and moving forward it will be beneficial to take stock of best practice and ensure that high quality provision of enterprise activity for young people. Specifically support to develop the Social Enterprise sector under this strategic activity will complement progression in this area.

Resources:	Outputs:
ESF funding	
£5.5m	104 enterprises receiving support
	96 employment increase in supported enterprises
ERDF funding	3,400 participants (of which 2,900 unemployed, and 500 employed)
£1.5m	

Vibrant rural and visitor economy

**Nuclear and energy excellence** 

**Thematic Objective 10** 

Investing in Education, Skills and Lifelong Learning

**Inclusive Growth** 

**SEP Drivers: Skills** 

#### **Headline Objectives:**

"Improve skill levels and qualifications of unemployed people"

"Increase skill levels in the workforce"

#### Rationale:

If Cumbria is to realise its true growth potential, we need to ensure that there is a strong local supply of skilled people ready to take on the new jobs that are created as well as supporting the continuous improvements to technologies, systems and processes within our businesses. The Employment and Skills Commission will work to ensure that our local skills system is employer-demand led and responsive to current and future economic needs, providing training in a manner that is accessible to businesses and individuals. Given the diverse nature of the Cumbrian economy, our local institutions need to provide a range of generic and sector specific skills and importantly, given changes to the way in which training is funded and subsidised, it needs to be of a sufficiently high quality to encourage employers and individuals to invest financially in taking it up.

Apprenticeships offer an ideal opportunity for people of all ages to move into employment with training, learning work-relevant skills as well as ensuring that employers are able to train their workforce in skills that are most relevant for their business needs. The LEP, through the Employment and Skills Commission needs to ensure that employers are in a position to fully articulate their emerging skills needs as well as supported, where appropriate, to engage actively in all areas of the skills system, from schools through to R&D institutions, to ensure not only is provision developed to meet such needs, but also businesses are encouraged to understand the considerable benefits that investing in skills or utilising new research techniques and partnerships can bring in terms of productivity, turnover and ability to mainstream innovation within a company.

This theme is aligned with the Skills Development economic driver in the SEP but is also linked to the Culture, Education & Leisure, the Advanced Manufacturing Initiative, the Growth Network and the Nuclear Centre of Excellence investment programmes which

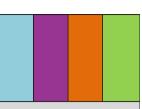
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Strategic Activities	Delivery mechanisms and indicative activities			
Strategic Activity 17: Skills for Employment	<ul> <li>This TO will be largely delivered through an opt-in with the Skills Funding Agency, concentrating on:</li> <li>For those needing access to employment, a Skills for Employment programme will support lower-level skills development, including employability, basic skills and training up to level 2, including targeted help for people who are excluded from opportunities, such as the NEET group of young people.</li> <li>Support for those pre &amp; post 16 to address lack of appropriate skills and qualifications in young people leaving school, in order to enable them to access employment and/or training/education, linking with the Raising Participation Age Strategy.</li> <li>Skills for Transition programme, focussing on providing support for those people who have been made or are at risk of redundancy to enter employment or self-employment or be reassigned within their existing organisation.</li> <li>Support for those on Universal Credit, part-time or low wage employment to increase their skills and gain employment which takes them out of benefits.</li> <li>Sector Based Work Academies, providing pre-employment training, work experience placements, and guaranteed job interviews. Ensuring sustainability of jobs/employment growth through the development of skills-sets which employers wish to buy and supporting on-going refresh/renewal and up skilling.</li> <li>Supporting progression and development opportunities through facilitating progression from basic level skills to Levels 2 and 3 to Apprenticeships and higher levels to support sustainability and enable them to move into higher value jobs.</li> <li>Support to develop Apprenticeship provision and take up, through enabling employers to understand the benefits of Apprenticeships and create Apprenticeship positions.</li> <li>Support to develop Traineeships.</li> <li>Support for higher level skills, particularly linked to priority and underpinning sectors, including increased student numbers in our local HE providers and an increase in Graduate Schemes to attract and</li></ul>	✓	✓	✓

	<ul> <li>Graduates.</li> <li>Support for technical skills to enable business start-up as a route into employment.</li> <li>Support for work placement and internship activities, including for unemployed people to ease them back into the workplace, young people, graduates and post graduates.</li> </ul>		
Strategic Activity 18: Employer Led Skills for Growth	<ul> <li>Also funded through the SFA opt-in, this area of activity will develop the skills of those in the workforce, including:         <ul> <li>The Edge Phase 2, focussing on providing employer-led support to businesses and their employees through bespoke packages of training for career and business development. This will be provided in a flexible manner and in appropriate and relevant 'chunks' of learning for the individual/business.</li> <li>Skills for Growth programme providing specialist skills provision within Cumbria's priority sectors, particularly Advanced Manufacturing, Nuclear &amp; Energy and rural and environmental skills and tailored support to promote training progression from Level 2 through to Level 4 and above, including higher level skills, increasing individual's capability and productivity and creating space within organisations for new employees.</li> <li>Skills for Jobs – pre-employment support for employers and individuals with tailored packages developed to meet individual employer needs. The programme will offer bespoke recruitment support for employers, particularly linked to major investments, expansions and public sector grant recipients.</li> <li>Leadership and Management activities providing higher level skills for employed individuals and businesses including entrepreneurship to support people to make and implement critical growth decisions and innovation strategies successfully.</li> <li>Job Brokerage providing support for small and rural businesses to recruit and additional support for individuals to access employment. Pre-Apprenticeship support that addresses particular barriers such as transport and financial support for businesses to take on Apprentices within priority sectors and rural areas.</li> <li>Sector Based Work Academies, providing pre-employment training, work experience placements, and guaranteed job interviews.</li> <li>Ensuring sustainability of jobs/employment growth through de</li></ul></li></ul>		

	employers wish to buy and supporting on-going refresh/renewal and up skilling.
_	Composition are expected and development are extensive the course to be a

Supporting progression and development opportunities through taking people through basic,
 Level 2 and Level 3 to Apprenticeships and higher levels to support sustainability and enable
 them to move into higher value jobs.



#### Strategic linkages:

The identified priorities all identify the need for a skilled workforce to grow:

- Advanced manufacturing growth: The SEP has identified that one of the barriers to growth for the manufacturing industry is the ability to attract and retain skilled people.
- Nuclear and energy excellence: The SEP emphasises that the development of specialist skills required to sustain a highly skilled and adaptable workforce, is crucial to enabling growth. The Energy Coast Campus will provide appropriate education and training at all levels.
- Vibrant Rural and Visitor Economy: Through maintaining and broadening the rural and agricultural skills base, Cumbria will be better placed to support the capitalisation of the environment in a sustainable way.

The need for a skilled workforce is also replicated in the ESIF Strategy, through delivery mechanisms including a skills for growth programme; support for work placement and internship activities, including for unemployed people; and leadership and management activities.

# **SEP Driver Linkages**

**Skills development:** The headline targets for this driver align with this thematic objective. They focus on increasing the proportion of working age people qualified to degree level and increasing the proportion of the working age population qualified to Level 2 and Level 3. Further to this, the skills development driver also aims to reduce the proportion of the working age population with no or mostly Level 1 qualifications. As a result, this driver should result in a reduction in the proportion of Cumbria's firms facing a skills gap or skills-shortage.

# **Skills plan Strategic Theme**

# **Addressing Immediate and Critical Skill Shortages:**

Raising Demand and Improving Skills: This theme intends to encourage employers to invest in skills development and ensure that the right skills are available to support growth. Under this theme, there are plans to develop a project to increase the take-up of leadership and management training amongst small businesses.

EAFRI	D-specifi	c activity

# **Sub-measure 1.1** EAFRD can be used to support a complementary skills offer, based on specific rural needs which cannot be met by the national EAFRD-funded Skills Framework, or by ESF programmes, including training for farming, forestry and agricultural businesses and meet skills needs in other rural businesses.

Examples of activities include rural-specific training courses, workshops and coaching. Examples of subjects to be conclude: management skills, business skills, ICT and the use of new technology, benchmarking, supply chain efficient technical agricultural and forestry skills, heritage skills, climate change adaptation and mitigation					
Resources:	Outputs:				
ESF funding					
£21.5m					
	8,300 participants (of which 3,000 unemployed, 1,000 inactive participants, 4,300 employed, 1,500 aged 15-24)				
EAFRD funding	AFRD funding				
£0.4m					

# 5. DISTRIBUTION OF EU FUNDS ACROSS THEMATIC OBJECTIVES 2014-2020

The table below shows the proposed balance of funds between Thematic Objectives and LEP Strategic Activities:

EU Thematic Objective	Description	Activity Number	Cumbria LEP Strategic Activity	ESF (£m)	ERDF (£m)	EAFRD (£)	EU T.O. total (£m)
1	R&D and Innovation	1	Commercialising Innovative Technologies in Key sectors		£2.0		£8.5
		2	Nuclear Technology & Innovation Programme		£6.5		10.5
2	ICT	3	Superfast broadband for businesses		£1.5		£1.5
	Entrepreneurship	4	Encouraging entrepreneurship and business start up		£2.0		
		5	Developing sector support in Growth Hubs		£7.0		
3		6	<b>Business Premises for Growth</b>		£2.0		£15.5
		7	Supply Chain initiative for knowledge-		£2.0		
		8	Business Access to Finance		£1.0		
		8a	Local Impact Fund		£1.5		
	Low Carbon	9	Low Carbon Business Growth (non-nuclear)		£3.0		
4		10	Low Carbon R&D and Innovation Facilities		£3.0		£10.0
			11	Energy Efficiency and Micro-Generation		£4.0	
5	Climate change adaptation	12	Flood Risk Prevention for Business Growth		£5.0		£5.0
6	Resource efficiency	13	Business Resource Efficiency for SMEs		£2.0		£2.0
8	Employment	14	Employment Support Programmes in Areas of Disadvantage	£7.0			£7.0

		15	Social Enterprise and Inclusion Activities – Big Lottery opt-in	£5.5			67.0
9	Social inclusion	16	Social Enterprise and Inclusion Activities – local delivery		£1.5		£7.0
10	-1 2	17	Skills for Employment	£7.5			C24 F
10	Education & skills	18	Employer Led Skills for Growth	£14.0			£21.5
			Rural tourism			£2.4	
			Rural broadband			£2.0	
	DEFRA Priority Area		Skills			£0.4	
DETROCT HORIZONIA			Renewable energy and energy efficiency			£2.25	
			Rural business support and start-up			£2.15	
	Totals			£34.0	£44.0	£9.2	£87.2

<sup>\*</sup>Note: EAFRD financial allocations subject to final discussions with DEFRA at Implementation Plan stage.

# 6. OUTPUTS, RESULTS AND FINANCES

#### **6.1 Performance Management**

Cumbria LEP has developed a Central Assurance Framework to provide a single assurance framework that identifies how the Cumbria LEP will manage the delivery of all Government funding flowing through the LEP where Cumbria County Council has agreed to the Accountable Body on behalf of the Cumbria LEP.

This approach has been built upon existing arrangements for programmes such as Regional Growth Fund and the Cumbria Infrastructure Fund (Growing Places Fund) as well as the many years of experience held by local partners in managing Regional Development Agency and EU funding programmes. The County Council's Regeneration Support Team has successfully acted as Accountable Body for many millions of pounds of funding over the last 20 years, and is currently acting as Accountable Body for the Rural Development Programme for England (RDPE) funding.

In coming to the proposed outputs for the ESIF element of the LEP's work we have drawn upon a variety of sources including:

- A review of our economy, including realistic assessments of what can be achieved within Cumbria, and economic modelling exercises.
- The expertise and experience of local partners in delivering against EU-funded programmes over many years, particularly the costs involved in doing so.
- Knowledge of planned major programmes and projects.
- Ongoing discussions around emerging ideas for key projects which may seek to utilise EU funding.
- Assessment of where match funding is likely to come from and any delivery implications associated with this.
- The published output unit costs/definitions guidance for the 2014–2020 programme.

With this in mind the following table sets out the proposed outputs for the ESF, ERDF and EAFRD elements of the LEP's European programme (NB this does not include match funding):

Fund	Output measure	Lifetime Target
	Number of enterprises receiving support.	2,246
	Number of new enterprises supported.	523
	Employment increase in supported enterprises	1,242
	Number of enterprises cooperating with research	98
	Number of enterprises supported to introduce new to	
	the market products	126
ERDF	Number of enterprises supported to introduce new to	126
	Additional enterprises accessing ICT products &	
	services including broadband	75
	Private investment matching public support to	0
	Number of companies supported with business	150
	Estimated GHG reductions.	23,000

	infrastructure (hectares)	1.5
	Total number of participants of which:	14,000
ESF	a. Number of unemployed (including long-term	7,050
	b. Number of inactive participants.	2,150
	c. Number of employed (including self-employed)	4,800
	Number of above participants aged 15-24.	3,090
EAFRD	Jobs created in supported projects.	313
	Total participants trained.	570

# **6.2 Financial Management**

In addition, the LEP has completed a full financial profile for 2014–20. The development of this has been based upon:

- Intelligence on the programmes and projects that are likely to be supported;
- Experience of delivery against other programmes;
- A mid-year programme start in 2014; and
- The need to ensure adequate spend and performance in the early years of the programme in particular prior to the mid- programme review.

NB – if there are any delays to the start of the programme the LEP will need to revisit its planned profile in consultation with Government.

Year	ERDF (£)	ESF (£)	EAFRD (£)	Total (£)
2014				
2015	2,000,000	1,250,000		3,250,000
2016	3,300,000	3,000,000	1,040,000	7,340,000
2017	5,450,000	3,750,000	1,760,000	10,960,000
2018	6,050,000	4,500,000	2,440,000	12,990,000
2019	6,550,000	5,000,000	2,140,000	13,690,000
2020	7,050,000	5,000,000	1,260,000	13,310,000
2021	6,600.000	4,500,000	410,000	4,916,600
2022	4,500,000	4,000,000	150,000	8,650,000
2023	2,500,000	3,000,000		5,500,000
TOTAL	44,000,000	34,000,000	9,200,000	87,200,000

# **6.3 Opt-In Match Funding Opportunities**

Cumbrian partners are exploring a number of the Opt-In models to support the delivery of activities that are in line with the strategic objectives contained within both this plan and the SEP. The timescales for submitting this plan as well as the fact that a number of Opt-In offers are still at a relatively early stage in development means that the LEP is unable to provide firm figures for the amount of funding that is likely to be sought from each individual Opt-In provider. The LEP is carefully considering each offer on the basis that:

- Any projects being delivered through any of the Opt-In arrangements will be accountable through the lead delivery partner to the Cumbria LEP, providing performance reports that include an assessment of risk. The manner of the reporting mechanism will be determined in partnership with each Opt-In provider and will enable the LEP to maintain a comprehensive overview of how its funding is being utilised, gaps in performance and areas of over-performance and good practice to allow the LEP to play its role in the resolution of any issues.
- The additional activity procured with the LEP's EU funding will be in line with the content
  of this strategy and/or the Strategic Economic Plan and relevant to the needs of Cumbria.
- The LEP will play a role in the design of any tender specifications as well as in the award of contracts for activity in its area commensurate with the funding contribution that it will make. This role will be mutually agreed through discussion and the signing of a Memorandum of Understanding with each Opt-In provider.
- The LEP will work with each individual Opt-In provider to ensure that mutually
  acceptable timescales are in place for the totality of the procurement process,
  recognising both the LEP's requirement to demonstrate spend and the achievement of
  outputs as well as the contract management and risk that the Opt-In provider bears
  through the arrangements.

**Skills Funding Agency (SFA):** The LEP, through its Employment and Skills Commission, is working with the SFA to develop a portfolio of skills interventions that support delivery against the priorities in both this strategy and the Strategic Economic Plan, utilising ESF funds. This will complement a programme of interventions to support job-seekers in building employability and access to work through a DWP Opt-In. The LEP, through the development of its project pipeline is firming up the activities that will be procured and at this stage estimates that it will seek match funding support.

**Big Lottery:** The LEP has opened a dialogue with the Big Lottery to explore ways in which their funding, particularly based on existing commitments in Barrow and West Cumbria, can support our objectives around social inclusion and social enterprise. At this stage the LEP is still carefully considering the potential to align funding with the Big Lottery, however there remain a number of pertinent details that need to be clarified before the LEP can provide a firm positive or negative response. One such area is a lack of detail around the way in which activities will be procured as well as the message that the LEP, despite providing 50% of the funding will not be a part of the decision-making process – contrary to the approach of other match funding providers. Should the LEP elect to move forward with the Big Lottery offer, we estimate that this will be up to the value of £3million.

**Department for Work and Pensions (DWP):** We are seeking to work with DWP to develop a range of employment support interventions that add value to their mainstream provision. This will be aligned with relevant programmes developed with the SFA to ensure that a holistic package of support is available to those requiring help to enter the labour market, including 'soft' skills, confidence building, ICT support, removing physical barriers to work, accredited qualifications as well as working with employers to increase work placements and sector-based work academies.

#### **Use of ESF Funds**

A priority for Cumbria is the development of higher-level skills (Strategic Priorities 18 & 19), both in terms of the development of employees and also in terms of graduate attraction and retention. It is

important that the ESF funds are able to support the development of widening participation activity, graduate employability skills, enterprise education, SME engagement with students and graduates (e.g. placements and interns), and the development of higher-level skills in the workplace. There are two potential approaches to supporting this activity:

- Ensure that these are built into the SFA and DWP Opt-In models
- Engage with HEI partners as co-financers to the programme

For the first of these it would be important to secure freedoms and flexibilities to ensure that the Opt-In models are able to support the outlined activity. For example, it is possible for DWP to support graduate employability activity and SME engagement. From 2009 to 2014 the University of Cumbria led a North West consortium of six universities with four transnational partners under the DWP innovation, Transnational and Mainstreaming Unit of ESF. The project enabled the developing, testing and piloting of a range of activities to support graduate employability in the region. The £5m project was match funded by the partner institutions and supported of 1,800 graduates and final year students. The Opt-in model for DWP needs to encompass student and graduate employability and SME engagement to increase higher level skills and to retain graduates in Cumbria, and also widening participation activity to raise aspirations in young people and adults.

The SFA opt-in model may prove restrictive in regard to funding of higher-level skills and enterprise education. At present the SFA ESF-funded Skills Support for the Workplace is unable to support such activity, as delivery is focused on credits and modules on the Qualifications and Credit Framework (QCF) – either by direct delivery of QCF activity or through the innovation code. At present, credits and modules which are equivalent on the Framework for Higher Education Qualifications (FHEQ) that are validated by universities through degree awarding powers are not funded. There is a danger that the opt-in with the SFA will not allow the delivery and funding of HE equivalent credits and modules which will enable growth in higher-level skills. The Opt-In model with SFA needs to encompass higher level skills, validated by universities, at an appropriate output payments level.

A combination of the two approaches highlighted above will support the delivery of the strategic priorities in the Cumbria ESIF and SEP.

Through the development of our project pipeline and the work of the Employment and Skills Commission, we are in the process of articulating the nature of the activities that the LEP will wish to be procured. Alongside this, we are awaiting the draft Memorandum of Understanding from the DWP which will inform the LEP's final decision on the likely match funding request. At the current time we estimate that this will be up to the value of £6m.

#### 6.4 Other Sources of Match Funding

Opt-in discussions for ERDF have also been held with other organisations who are not in a position to support an opt-in model, but who nonetheless welcome Cumbria's involvement in the development of Regional or National products. These include::

**UK Trade and Industry (UKTI):** We opened a dialogue with UKTI to identify local needs to support businesses that are exporting or have potential to export. This includes pre-export work (identifying and supporting firms that might be exporters in the future), and also post-export support, by offering more intensive and longer-term support to companies which have identified initial export opportunities. We are continuing discussions to link this with the emerging project pipeline.

**North West Fund:** The LEP opened a dialogue with the NW Fund in order to address the business finance needs of Cumbria. Discussions will include the possibility of ring-fenced commitments to subregions, allowing LEP areas to concentrate on the specific funds which are relevant to them. Until discussions with the NW Fund as well as other possible financial instruments have concluded, the LEP is unable to provide a firm commitment on the likelihood of joining the NW Fund.

We are also currently investigating how we can develop a Local Impact Fund model for Cumbria, drawing together the funding available through European Structural Funds alongside national investors such as the Social Investment Business (SIB), and Big Society Capital, and local investors, such as local authorities and social housing providers.

The LEP is also investigating the potential to enter into match funding discussions with a range of other bodies, such as the Prince's Trust. More and more organisations are approaching the LEP to align their activities and funding to boost outcomes at the local level and the LEP welcomes this inclusive and strategic approach.

Further match funding will be generated from the existing programmes and activities that are currently planned by partners throughout the County, and wider partner contributions which will be levered by the EU funds. Examples of this include: Local Growth Fund, Higher Education, Chamber of Commerce, Enterprise Agencies, and Britain's Energy Coast, as well as the mainstream funds of Government departments. We also anticipate funds from private enterprises as part of the overall match funding portfolio.

# 7. COMMUNITY-LED LOCAL DEVELOPMENT

The LEP, through discussions with its network of partners, has carefully considered the potential for including Community-Led Local Development (CLLD) in its strategy. After much debate the Board has agreed that it will not support formal CLLD arrangements in Cumbria within the 2014–2020 programme but instead intends to develop locally appropriate mechanisms that enable similar activities to come forward.

With this in mind, the LEP board will support over the lifetime of the programme locally-developed community activity that targets the urban areas of Barrow and Whitehaven to complement that which will be available in our two rural Local Action Group areas through the new LEADER programme.

This decision does not affect Cumbria LEP's support for the development of LEADER arrangements through the new Rural Development Programme.

## 8. GOVERNANCE

#### 8.1 Introduction and Overview of the LEP Board

Cumbria LEP is a strategic body, which brings together the private and public sectors to support economic growth across the geographical area of Cumbria and incorporating the local administrative areas of the County Council and its six District and Borough Councils.

The LEP has agreed an Assurance Framework, including Terms of Reference of the LEP Board and Investment Panel. The LEP Board's remit explicitly includes the role to "approve, monitor and ensure implementation of the Strategic Economic Plan and EU Investment Strategy on behalf of the LEP partnership."

The role of the Board is to:

- Set the strategic direction for the economic revitalisation and development of the economic area;
- influence key strategies and the implementation of economic initiatives;
- appoint representatives to selected outside bodies;
- in consultation with its accountable body and its Section 151 Officer agree the LEP's annual budget, the management of which budget shall be delegated to the LEP Manager;
- establish any Expert Groups, appointing their Chairs and determining their terms of reference, and subsequent management of their activities; and
- approve a Communication Strategy in relation to publicity and disclosure of information including the management and timing of such communications.

To ensure appropriate governance arrangements are in place to support delivery of this European Structural & Investment Fund Strategy. Full details are provided in XXX.

The LEP Board will ensure that there is open and transparent decision-making in relation to the allocation and deployment of all public funding to support the smart, sustainable, and inclusive growth of the County's economy, and necessary monitoring and evaluation of delivery and impact.

Cumbria County Council has formally agreed to become the accountable body for the LEP. Service Level Agreements will be in place between the LEP, Cumbria County Council, Cumbria Chamber of Commerce, and other bodies which provide an accountable body or other function on behalf of the LEP.

The LEP adheres to and operates on the principle of subsidiarity. This means that decisions which are taken are done so at a level as close as possible to the people or organisations affected by them. On the basis of this principle, the LEP devolves responsibility for funding and delivery to its local partners as appropriate and in accordance with the SLA or other partner agreements as appropriate.

The LEP Board comprises six private sector members and six public sector members, with a private sector Chair. The current composition of the Board is as outlined below:

#### **8.2 LEP Board Members**

Name	Organisation	Role
George Beveridge	Sellafield Ltd	Chair (Private Sector)
Jackie Arnold	BAe Systems	Vice Chair (Private Sector)
Cllr Stewart Young	Cumbria County Council	Vice Chair (Public Sector)
Stephen Broughton	Mountain Goat	Private Sector
Cllr Bill Jefferson	Lake District National Park	Public Sector
Graham Lamont	Lamont Pridmore	Private Sector
Marna McMillan	Energy4All	Private Sector
Katie Milbourn	Walby Farm Park	Private Sector
Cllr Alan Smith	Allerdale Borough Council	Public Sector
Prof. Peter Strike	University of Cumbria	Public Sector
Cllr Peter Thornton	South Lakeland District Council	Public Sector
Cllr Colin Glover	Carlisle City Council	Public Sector

The LEP Board is supported by a LEP Manager who draws upon the resource and relevant expertise from within the partner organisations.

# **8.3 Cumbria LEP Governance Arrangements**

There are established practices and sub committees in place to support the work of the LEP Board, including:

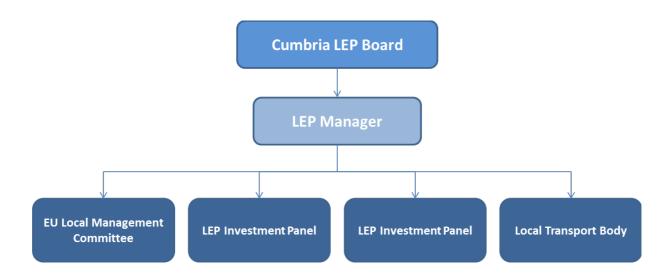
**EU Local Management Committee:** An EU Local Management Committee (LMC) has been established for Cumbria that will oversee the investment of European funds. Terms of Reference of the LMC have been agreed and are set out below and will be reviewed to ensure alignment with national guidance. The Local Management Committee for EU Structural and Investment Funds (ESIF) is independent of, but will report to, the Cumbria LEP. Its role is to ensure the successful implementation of Cumbria's 2014–2020 EU funding allocation to maximise the impact on the local economy. Having overseen the development of this ESIF strategy, its specific role over the 2014–20 period will be to:

- Oversee work on submission of proposals for the 2014–2020 Regional Aid map for Cumbria
- Initiate calls for, or tendering of, EU projects consistent with the ESIF
- Review project proposals received to ensure they fit with Cumbria's ESIF strategy, based on appraisals undertaken
- Make recommendations on projects to be funded, for contracting by relevant managing authorities

- Manage the strategic relationship with the Opt-In Providers
- Review the overall progress and performance of Cumbria's ESIF (in terms of investment commitments, claims and outputs/results contracted/achieved)
- Create the strategic links with the LEP's Investment Panel to maximise benefits and opportunities between different funding streams
- Make relevant reports/presentations to the national EU Growth Board and Cumbria LEP
- Support the role of Cumbria representatives on the national EU Growth Board, where applicable
- Work with the Government EU Local Growth Team to oversee the smooth running of the programme
- Comment on the draft Annual and Final Reports, and Programme Evaluations for the 2014–2020 Structural Fund Programmes, prior to formal submission to the Commission.
- Oversee the production of press releases and other communications activities which promote the work of the ESIF strategy in Cumbria.

The membership of the LMC will represent the thematic and geographic demands of the Cumbria ESIF Strategy.

Cumbria Local Enterprise Partnership Governance Chart and respective sub-groups of the Board



## 9. COLLABORATION WITH OTHER LEPS

The Cumbria LEP continues to seek to maximise collaboration and partnership opportunities across the LEP network. At the current time there are a number of collaborative opportunities which are currently being explored for mutual benefit. These areas have been identified to recognise existing strengths and areas of common interest and opportunity. These include:

**One North:** A programme to maximise economic growth across the North of England, boosting transport links and helping rebalance the national economy, Cumbria can complement and enhance the economic offer the core northern cities make, given our natural assets, our strategic connectivity, our specialist expertise, and capability in advanced manufacturing and nuclear excellence. But additional support in some key areas is needed to fully unlock the County's potential to contribute to northern growth.

**Borderlands Research:** There has been the initial Borderlands research undertaken by Northumbria University which is now being taken forward by the Scottish Office. A Borderlands summit was held in Spring 2014.

**Morecambe Bay Partnership:** There are potential opportunities with Lancashire LEP around the Morecambe Bay Partnership which are currently being explored.

**Northern Nuclear Cluster:** Cumbria is part of the Northern Nuclear Cluster. This cluster brings together the unique concentration in the UK of nuclear expertise and facilities to maximise the economic development in the domestic supply chain from future nuclear and will boost the opportunity for growth in international nuclear energy markets.

**Atlantic Strategy:** Cumbria is working alongside BIS and other LEPs to maximise the opportunities from the Atlantic Strategy in areas such as driving sustainable growth in coastal areas.

**Business Support/Growth Hubs:** Cumbria is working nationally with BIS and the wider LEP network to share the learning and support the development of the national Growth Hub Network.

**Business Co-ordination Group:** Cumbria plays an active role in this regional Group, with senior representation involved in leading and driving forward the co-ordination of business activity at the regional level working alongside other LEPs and wider partners.

Lancashire LEP: The four Higher Education Institutes (HEIs) which operate in Cumbria (the University of Cumbria, Lancaster University, UCLan, and the University of Manchester) also operate in the Lancashire LEP area. The universities are developing a collaborative approach to ERDF and ESF revenue programmes, building on their track record of successful collaboration in the current ERDF programme and through the DWP Innovation, Transnational and Mainstreaming ESF unit. This collaborative approach will span Cumbria and Lancashire. The University of Cumbria for example has a main campus in North Lancashire alongside four further campuses and sites in Cumbria, and Lancaster University is just south of the South Lakeland border. The universities collectively support students and graduates across the Cumbria and Lancashire borders, and engage with SMEs to

support innovation and growth. An approach to continue this HEI collaboration is emerging in partnership with Lancashire LEP.

We will also remain alert to any further and future, mutually beneficial opportunities for joint working and collaboration as the programme's implementation processes come forward. This may include working with geographically neighbouring LEPs or LEPs which have similar characteristics to Cumbria such as sectorial or socioeconomic which may provide opportunities for knowledge sharing or joint working (for example in the nuclear sector or low carbon).

# 10. SUSTAINABILITY & EQUALITY AND DIVERSITY

The LEP is committed to ensuring that the principles of sustainability, equality and diversity are embedded within the delivery of this strategy as well as importantly throughout any programmes and projects that may secure European Funding. We have worked with a range of local experts and Government Departments to ensure that in developing this strategy we have continued to adhere to these principles and believe that the potential programmes that are outlined reflect our commitment.

## 11. ENGAGEMENT IN THE ESIF DEVELOPMENT PROCESS

In developing this strategy, the LEP has utilised a variety of engagement and consultation methods to ensure that the widest possible range of partners from all sectors were able to help shape the priorities. The original iteration of this ESIF was developed in parallel with the Strategic Economic Plan (SEP) in a complimentary manner. Following discussion with Central Government, this revised strategy has been produced to ensure ESIF is completely aligned with the final SEP and Growth Deal agreed with Government.

Engagement with private sector businesses has been through a range of means such as:

- Activity through the LEP's private sector partners (Cumbria Chamber of Commerce,
  Cumbria Tourism, Federation of Small Businesses, National Farmers' Union, and Third
  Sector Network), including engagement of these partners in groups and events,
  representing the views of their members and their wider business contacts, as well as
  distribution of email consultation through these partners. This has included not only
  partners' members but also their wider business engagement, which can be extensive. In
  the case of the Chamber for example, this extends to more than 14,000 business
  contacts throughout the County, across the spectrum of business.
- A 2,000 respondent Business Survey, using a stratified sample to reflect the make-up of the Cumbrian business economy.
- The LEP's existing Evidence Base, built on a range of existing evidence and research, including extensive consultation with businesses through a range of sector and thematic focus groups involving a range of businesses of all sizes from throughout the County, some members of LEP partner organisations, others not.
- A Power 40 Group has been established which will be a key engagement mechanism
  with the County's larger businesses moving forward. Both the LEP Chair and Private
  Sector Vice-Chair are members of the groups, as is the Board lead on business support.
  While this is a Chamber of Commerce initiative, the group's current membership of
  approaching 60 business leaders is drawn from the County's most strategic businesses,
  whether Chamber members or not.

As we undertake the work to develop our project pipeline, it is clear that the private sector will not only receive support through the funding available, but will play a direct role in delivering a range of interventions and supporting the wider growth agenda.

Views from leading organisations within the Public Sector have been sought through the Cumbria Leaders' Board as well as through membership of the LEP Board, attendance at a variety of workshops, as well as through the advice provided by the public sector Technical Officers Group. Key local statutory plans, such as the Local Transport Plan and Local Development Frameworks have been fed into the process to ensure that the strategy reflects already identified and agreed local priorities.

A range of specialist focus groups has been established to directly input and shape the strategy. These have included; a Social Inclusion Task Group chaired by the Third Sector Network; an

Environment Group with a range of local and governmental key partners; a Business Support Group, which has built on the work of partners involved in delivering the Cumbria Business Growth Hub and Rural Growth Network; a range of sector-specific discussions bringing together the public and private sector, as well as a range of specific discussions with other key groups such as the Rural and Farming network to ensure that a broad range of local partners have been able to input.

In addition, the employer-led Employment and Skills Commission has developed a Cumbria Skills Plan that covers in more depth the range of interventions required to ensure that within Cumbria we are providing the best possible support to enable people to find work as well as a truly employer-led skills system to support our growth aspirations. Once agreed, the Skills Plan will be fully reflected in this revised ESIF strategy.

# 12. UTILISING OTHER EU FUNDS

Cumbria has a strong track record of delivering programmes of activity through mainstream ERDF and ESF funds allocated within Objective 2 of the Structural Funds programmes, alongside EAFRD funds allocated within the Rural Development Programme for England (RDPE). Whilst these funds are clearly important to Cumbria, there are a range of other EU programmes that can complement the activities described in this ESIF which partners are encouraged to explore and access. Cumbria has a modest track record in delivering projects under some of these programmes, particularly under Interreg 4c and Leonardo programmes in the 2007–13 period, and the following programmes will be of particular interest in 2014–20 to support the wider aims of this ESIF and the Strategic Economic Plan:

- Firstly, one of the most significant sources of EU funds in Cumbria is those allocated through the Common Agricultural Policy (CAP). Under CAP reform, farmers will continue to qualify to receive direct payments if they meet conditions defined in the European Regulation. Direct payments have been complemented by agri-environment schemes delivered through Axis 2 of the RDPE. Multi- annual agreements entered into prior to 2015 will continue into the next programme, but from 2015 these will be replaced by a new environmental land management scheme targeted at achieving multiple benefits through the same investment, such as water quality or landscape projects. We will continue to work with the Forestry Commission and Natural England to ensure that the new schemes continue to make a strong contribution to the economy of Cumbria and, given the landscape of the County, we aim to play a pivotal role in the development of this new scheme.
- Close to the aims of this ESIF, the EU's Horizon 2020 programme will be particularly important for Universities and innovating companies. The emphasis in 2014–20 not only on key growth sectors (such as environmental technologies, renewable energy, ICT, and advanced manufacturing), but also on 'societal challenges' (including the important threat of climate change), suggests that Cumbrian organisations are well-placed to benefit from this programme. Activities supporting the development of new products and processes in nuclear supply chain development, offshore renewable energy, wood fuel, and eco-innovation are obvious areas where Cumbrian HEIs and companies can focus their efforts. This will be complemented by the new Euratom programme, which can support knowledge developments in the nuclear energy and management sectors in particular. Horizon 2020 will complement our ESIF activities under TOs 1 and 4 in particular.
- In addition, the new Competitiveness for SMEs Programme (COSME) will offer support to a
  wider range of innovating companies who are poised to internationalise their activities, or
  who could benefit from collaborative ventures. This will complement our activities under TOs
  1 and 3 in particular and any Opt-In arrangements reached with UKTI.
- The suite of Interreg programmes will also be of interest to SMEs, although the emphasis on innovation in regional development suggests that public authorities, Universities and NGOs

will also want to explore the opportunities provided by Interreg. Of particular interest to Cumbrian organisations will be the Interreg 5B NW Europe programme, with its focus on TOs 1, 4 and 6, potentially complementing our activities around innovation and R & D in key sectors, and energy and resource efficiency in companies. The new 5C Interreg Europe Programme will allow for a wider exchange of experience and knowledge across the whole of Europe, and can build on our existing links with regions in Sweden in previous Interreg 4C projects on energy. The 5B Atlantic Area Programme may also be of interest for developments around transport and coastal renewable energy, although it is still at an early stage of development.

• Access to international skills development and the expertise of Cumbria's students and workforce can be developed through the new Erasmus For All programme. Universities will be able to access the Erasmus strand for international experience for staff and students, whilst a wider range of organisations will continue to use the Leonardo strand to support vocational training opportunities, linked to our growth sectors where skills development is required. The University of Cumbria has submitted a joint application with a number of North West HEIs and European partners against the recently launched key action 2 to develop approaches to supporting graduate employability, and collaborates with a range of EU partners under key action 1 to enable staff and student mobility.

# 13. PROJECT DEVELOPMENT

In summary of its Strategic Economic Plan "The Four Pronged Attack", the LEP is producing an Implementation Plan, which is intended to be a living document for setting out current and future priorities for investment against the SEP for all streams of funding, including the ESIF 2014–20 programme.

This highlights immediate priorities for investment and a pipeline of projects capable of delivering against these needs. It also sets out longer-term priorities and the process by which Cumbria's emerging pipeline of projects can continue to be developed by partners to both meet Cumbria's strategic needs and the requirements of different funding streams.

The LEP's Assurance Framework sets out the process for how new calls for projects will be made, and how these projects will be appraised to ensure strategic fit and return on investment. The framework draws upon existing mechanisms in the County and the learning from using these processes to date together with best practice from elsewhere. The framework is constructed in line with the requirements of external funders, including the EC and UK Government. It ensures that the LEP's decision making processes are fit for purpose and will result in resources being channelled appropriately into meeting agreed strategic objectives. As such, the framework is guided by the following key principles: consistency; objectivity; evidence based; transparent; strategically aligned with the SEP; risk informed; and compliant with funding requirements. The Assurance Framework highlights that with respect to ESIF, the focus for the LEP is on those projects that:

- Are well developed with an outline business case
- It believes could contribute towards achieving the aims of the SEP and this ESIF
- Have agreement and sign-up from a range of partners
- Would be eligible for European funding
- Are likely to be in a position to commence delivery in the next three years
- Have a strong likelihood of success
- Will deliver economic benefit and value for money
- Are State aid compliant

A separate Delivery Plan will build on the project pipeline to scope programme calls. The LEP and its wider partners are currently undertaking further development work on potential projects.

In recognition of the ongoing work around the pipeline of projects in Cumbria, the need to remain flexible and responsive to emerging opportunities, as well as the fact that at this stage the LEP is not in a position to pre-judge the outcomes of future procurement rounds, the Delivery Plan should not be interpreted as a confirmation of funding or LEP support. Nor should it commit partners to projects at this stage or prevent any revision or evolution to the aims of projects.