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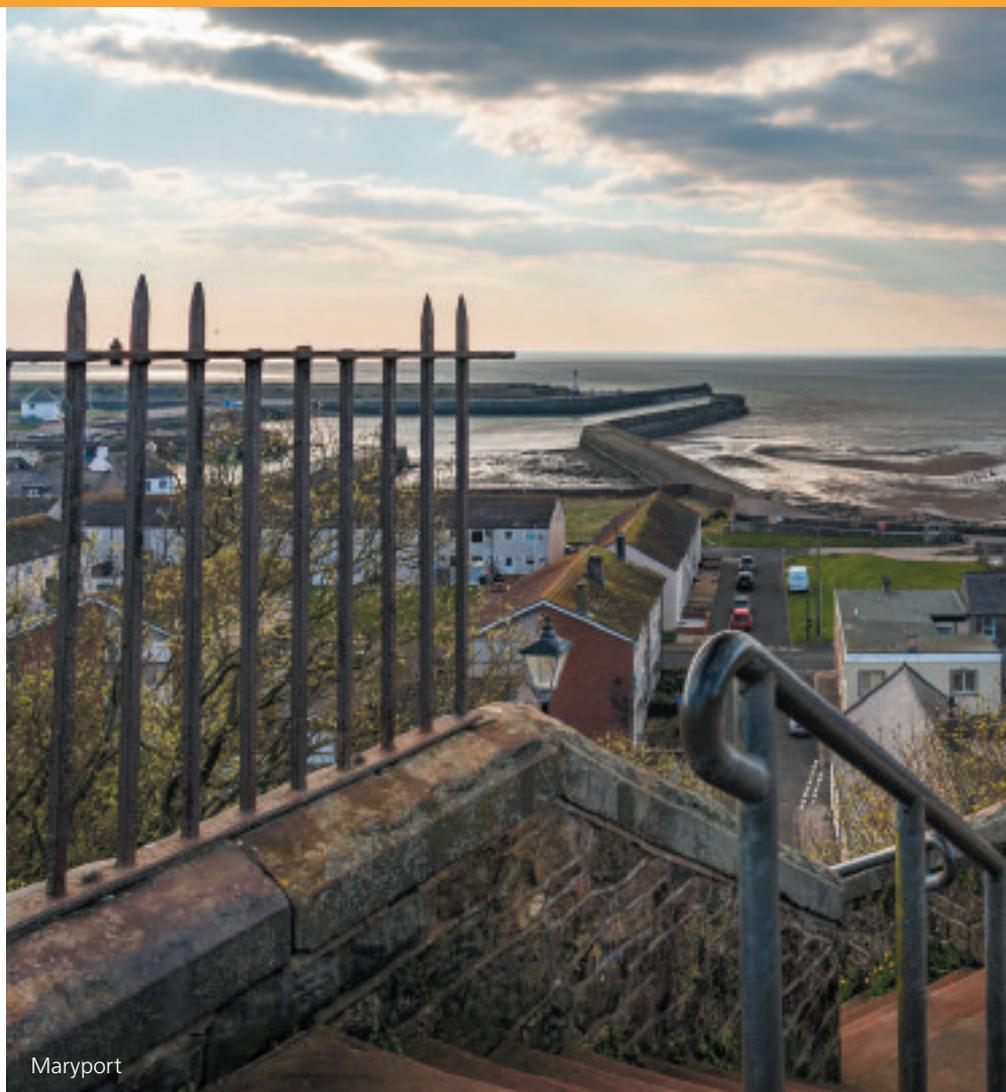
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## Professor Frank Peck

Professor Frank Peck considers the implications for economic development of the reorganisation of local government in Cumbria and the formation of two new Unitary Councils

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Maryport

The August 2022 edition of *in-Cumbria* included a commentary on the changing landscape of local government in the county. Cumbria is to be divided into two Unitary

Authorities replacing the two-tier structure (county and six districts) that has prevailed since the 1970s. Following the elections of April 2022, 'Shadow' Authorities have been operating alongside existing councils until full vesting day on April 1, 2023. After well over a decade of debate about possible boundaries for local government reorganisation, it has been decided that the new Unitary Authorities should combine Carlisle, Allerdale and Copeland into 'Cumberland' and Eden, South Lakeland and Barrow into 'Westmorland and Furness'.

This shift from a two-tier structure towards unitary authorities is, of course, not unusual. Several other areas of the North of England have gone through this process, including Northumberland and Durham in NE England. The changes in Cumbria also coincided with announcement of new Unitary Authorities for North Yorkshire and Somerset. The assumption is that there are scale economies to be gained by combining functions into larger units. It is also expected that reducing the number of councils will simplify systems and improve efficiency of decision-making. The tension, however, arises from the possibility that larger unitary councils may appear remote from the communities that they represent. The way in which these changes are managed is, therefore, quite important.

In terms of scale, the two territories have some equivalence. There is a similar

number of enterprises in each (Cumberland 11,565 and Westmorland & Furness 11,815). Cumberland is slightly larger though in terms of population (274,400 compared to 225,400) and also employment (130,000 compared to 114,000). Political representation also varies (46 councillors in Cumberland and 65 for Westmorland & Furness). In terms of major economic sectors there are some similarities. Both have significant numbers employed in manufacturing, retail distribution and health, although the area of Westmorland and Furness includes large numbers working in accommodation and food (see table).

As regards local economies, the two territories are inevitably diverse.

Cumberland combines urban areas on the west coast that currently have significant dependence on the nuclear industry with settlements in the north Lakes as well as the City of Carlisle and its rural hinterland.

Westmorland and Furness brings together the industrial capacity associated with Barrow submarine production of BAE Systems alongside the core of Cumbria's visitor economy in the Lake District as well

as the market towns and rural areas across east and south Cumbria. The two new councils will clearly face a challenge as to how to remain connected to constituent communities and to represent the interests of, and harness the energy created by strong local identities.

At this time of national inflationary spirals, rising energy costs and the threat of recession, why should this debate about the structure of local government matter?

Well, the national debate may currently focus on 'growth' but this emphasis inevitably poses questions about inequality and the geographical distribution of that growth. The 'levelling-up' agenda is still important and delivery of these priorities depends critically on leadership, capability and institutional capacity in localities and regions. The size and shape of local government is therefore not insignificant.

As part of Government's agenda, local authorities in Cumbria have already secured funding from the Levelling-up Fund (Barrow-in-Furness); Towns Fund (Barrow-in-Furness, Carlisle, Cleator Moor, Millom and Workington); as well as the Future High Streets Fund (Maryport, Carlisle).

Further rounds of funding are also



The city of Carlisle

anticipated through the Shared Prosperity Fund. Reorganisation of local government therefore coincides with significant demands on local authorities to prepare plans for economies and deliver projects that could, at the very least, have significant impacts on the quality of public realm in high streets and town centres.

In the longer term, the aspiration must be to reach beyond these ‘visible’ investments to address more profound structural problems related to skills, wage levels and productivity.

These funding bids depend critically on the capacity of local authorities to respond, which in turn depends on their level of engagement with local partners and their understanding of need. Close affinity with local communities is therefore vital for composing viable and relevant plans. A major challenge for the new authorities will include finding ways to reap scale economies while also maintaining connections to communities and local business networks.

Local partners, of course, include organisations that operate at the level of the former County of Cumbria, significantly, Cumbria Local Enterprise Partnership (CLEP) which retains its role in providing a strategic lead to economic development across the two new unitary councils. This aligns with other significant institutional capacity at the level of the former county – Constabulary, Fire Service, University, Chamber of Commerce. The new Unitary Councils will therefore not only need to stay connected with communities but also partner effectively with one another and with the institutions that are likely to continue to operate across the whole of the former county. While structures are certainly changing, one thing remains constant – influencing, designing and delivering appropriate projects to improve local economic well-being depends critically on a commitment to effective partnership at all spatial scales.

|   | CUMBERLAND  | WESTMORLAND & FURNESS   |
|---|---|---|
| <b>Population (2020 mid-year estimates)</b>     | 274,400   | 225,400   |
| <b>Working-age population (2020)</b>            | 174,000   | 140,100   |
| <b>Enterprises (2020)</b>                       | 11,565  | 11,815  |
| <b>Employment (2020)</b>                        | 30,000  | 114,000   |
| <b>Gross Value-Added (GVA - 2020)</b>           | £6,010m   | £5,706m   |
| <b>Unemployment (Claimant rate August 2022)</b> | 2.5%  | 2.0%  |
| <b>Main sectors (by employment)</b>             | Wholesale & retail (16.9%)<br>Manufacturing (16.2%)<br>Health & Social Work (13.1%) | Wholesale & retail (17.5%)<br>Manufacturing (14.9%)<br>Accommodation & food (14.0%)<br>Health & Social Work (10.5%) |

Source: Cumberland and Westmorland & Furness Economy Evidence-Base, Cumbria Intelligence. Observatory, July 2022