

**THE ECONOMY OF CUMBRIA:  
THE SIGNIFICANCE OF MAJOR EMPLOYERS**

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## THE SIGNIFICANCE OF MAJOR EMPLOYERS

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Cumbria is home to two businesses that, in employment terms, are highly significant to the overall structure of the county. Probably best known is the British Nuclear Fuels Sellafield complex in West Cumbria, which combines nuclear power generation with nuclear fuel reprocessing for international customers. In the 2002/03 financial year, the employment level at the Sellafield site (in full-time equivalents) was 12,100, 52% of which were BNFL employees, 10% agency staff and 38% contractors<sup>1</sup>. However, as a result of the

site being decommissioned, it is expected that by 2018 the workforce will have decreased to 4,000. New jobs will arise at the Nuclear Decommissioning Authority, which is based in Calder Bridge and is overseeing the decommissioning, although these will be management rather than production jobs. The second major employer is BAE Systems. In 2003, BAE announced that their Barrow-in-Furness site was to become a shipbuilding only yard. Astute submarines have previously been built at the site for the British Royal Navy.

There a number of manufacturing firms based throughout the county: Northern Foods and McVities are based in Carlisle, Corus Rail and Iggesund Paperboard have sites in Workington, James Walker are in Cockermouth and Heinz are in Kendal. However, a number of manufacturing jobs have been lost in Cumbria over the last two years<sup>2</sup>. BAE announced in April 2004 that 720 jobs were to be lost, the majority of which were to be at Barrow. In Carlisle, 660 jobs were lost when one of the Cavaghan & Gray (Northern Foods) factories was closed and 152 jobs were lost at Key Safety Systems as a result of some production being transferred to Romania. Other manufacturing losses include 250 jobs at Corus Rail as they invested in their Scunthorpe site, and at Sellafield 500 management jobs have been lost in addition to the 74 jobs lost at the subcontractor Amec.

Carlisle is the single biggest urban area in Cumbria and, as such, is the location of many national chain stores as well as a diverse specialist retail sector. Financial and business services are fairly well represented, although centralisation of function and merger amongst some of the larger institutions has had a negative effect on employment numbers in recent years. Well-known names located in the area include: Cavaghan & Gray (prepared chilled and frozen foods), McVities (biscuits), Pirelli (tyres), Nestlé (milk products), Eddie Stobart (road haulage services) and Carrs Milling Industries (range of agricultural products). The combination of the City Council and Cumbria County Council administration offices, allied to other health and education staff, means that the area has a significant public sector workforce.



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<sup>1</sup> The Environment Council: BNFL National Stakeholder Dialogue, West Cumbria: Socio-economic Study – 2003 Update (August 2003, ERM Economics)

<sup>2</sup> Information from Cumbria Economic Bulletin: September 2004, March 2005 and September 2005 editions

Not far from Carlisle is the town of Wigton, although it is part of Allerdale District. Employment in Wigton is dominated by the Innovia Films plant, formerly owned by UCB, which employs around 800 people. The plant is long established and produces a range of plastic films and packaging products for the food processing and other industries. Also based in Allerdale is a Sealy factory, part of the Silentnight Group. The factory opened in 1974 in Aspatria and has recently received £1 million of new investment. The company employs about 300 people.

Eden is the most rural of the districts in Cumbria. As such, it has a relatively high level of dependence on farming and agricultural services. There are only a small number of 200+ employee businesses operating in the area, of which the Center Parcs Oasis Whinfell holiday village near Penrith is by far the biggest, employing around 1000 people.

Around the Kendal area, the main administrative centre for the South Lakeland district, some of the main employers include James Cropper PLC (paper making), Farley Health Products/Heinz (baby foods) and Lakeland Limited (household goods mail order). Kendal has suffered the loss of a number of relatively major employers in recent years, most prominently K Shoes and AXA Insurance (formerly Provincial Insurance). Both these businesses had long and close relationships with the town.

Important employers in Ulverston include two electronics businesses: Tronic provide high integrity underwater systems and The Oxley Group provide a range of products including those in telecommunications and electronic data tagging. Glaxo-SmithKline, the world's largest pharmaceutical company, have a plant in Ulverston manufacturing antibiotics. In late 2002 it was announced that there were to be 400 job losses at the plant, reducing the workforce to 650.