South Lakeland District Council
Local Development Framework:
Supporting Evidence

Employment Land Position Report
31 March 2008

(for South Lakeland District, outside the Lake District and Yorkshire Dales National Parks)

Published July 2009

Lawrence Conway, Strategic Director Customer Services, South Lakeland District Council
www.southlakeland.gov.uk/ldf

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Employment Land Position Statement – 31st March 2008

1.0 Introduction:

1.1 The evidence base on employment land and the wider economic information is a critical component that will inform the content of the Council's Local Development Framework (LDF). The Local Development Framework is a folder of documents and will replace, in due course, the South Lakeland Local Plan. The Core Strategy is the principal policy document within the LDF. The employment evidence base will inform the Council's Core Strategy, Allocation of Land and the Kendal Canal Head Area Action Plan Development Plan Documents. The Government's Planning Policy Statement (PPS) 12[1] advises that the evidence base produced needs to be 'robust and credible…' and '…proportionate to the job being undertaken by the plan, relevant to the place in question and as up to date as practical having regard to what may have changed since the evidence was collected' (paragraphs 4.36 and 4.37).

1.2 The Government's Guidance Note – Employment Land Reviews published in 2004 advises that '…quantitative assessments should be updated regularly at no more than 5 year intervals (paragraph 5.49). Furthermore, the recently approved Regional Spatial Strategy for the North West (RSS – September 2008) in Policy W3 advises that '…the employment land supply must be kept under regular review. Local authorities should review their employment land portfolio every three years'.

2.0 Purpose of Statement:

2.1 The purpose of this statement is:

- To set out the key findings of the 2005 Employment Land and Premises Study (ELPS) and to review the relevance of the findings in the short term;
- Set out what additional evidence has been collated since the 2005 ELPS; e.g. update of land supply and details of evidence base studies that advise re. potential sites and site constraints. This report will not set out detailed assessments of individual sites & constraints. Detailed site assessments and further work on sites to inform the selection of potential sites for allocation will be carried out in the next few months; and

[1] Planning Policy Statement 12 – Local Spatial Planning (PPS 12), 4th June 2008, CLG.

- Identify what are the gaps in evidence; what additional evidence or information up date is required.

2.2 The structure of the statement is broadly based on that of the 2005 Employment Land and Premises Study (ELPS). Each of the key findings identified in the 2005 ELPS Executive Summary is set out followed by comment and an analysis of the issue at present.

3.0 Existing Evidence Base:

3.1 Based on March 2003 monitoring, the 2005 ELPS provides a robust assessment of the quality and quantity of existing identified or allocated employment land in the District (excluding the national park areas within the local authority's administrative boundaries), and the extent to which this land can meet projected future demand for the ten year period from 2006 to 2016. The study's two main stages and associated outputs are:

a) Stage 1: assessment of the quality and quantity of existing employment sites, alongside demand forecasting work; and
b) Stage 2: appraisal of how the provision of employment land could meet employment land requirements, up to 2016.

The methodology used has drawn upon Government guidance as well as good practice from comparable studies undertaken elsewhere.

3.2 The first stage of the study provides a baseline situation relating to the quality and quantity of existing employment sites (in 2004/05), employment land projections up to the year 2016, and the key issues emerging from a detailed overview of the local policy agenda and the socio – economic characteristics of the residents.

3.3 The key issues emerging from the analysis, which can be taken as a snapshot of the District in 2005 as regards the dynamics of employment land supply/demand. The key issues are grouped under a series of themes.

3.4 <u>a) Quantity of available, suitably serviced employment land</u>

- Stage 1 of the ELPS concluded that there are shortages of employment land available in the District. Whilst in **2005 there is a supply of land with planning status (27.97 hectares) a large part of this supply is constrained and is not ' readily available'.**

- The ELPS emphasises that the 2004/2005 supply is insufficient when one takes into consideration a number of issues, such as under compliance with Structure Plan Policy EM13 (now an extended/saved policy); the poor quality of several of the sites and the constraints preventing many from being developed; the small size of most of the sites; the fact that most of the Local Plan[2] allocated sites are not located in areas of the District most conducive to either attracting inward investment or for facilitating expansion of existing key business; the perceived shortage of well located, readily developable sites and premises demonstrated from the results of the Commercial Business Survey and the resultant 'pent up' demand from employers wishing to gain representation in the South Lakes area; and the overall low vacancy rates.

3.5 Present Land Supply Position (March 2008 CCC[3] monitoring)

Employment land monitoring in March 2008 still shows that there are shortages of employment land in the LDF area. The total land supply consists of land allocated for employment use in the adopted South Lakeland Local Plan that has not commenced or been completed and sites with unimplemented valid planning permission for B1, B2 or B8[4] employment land use classes as at 31st March 2008. The total land supply hectorage (including constrained sites) has reduced since the 2005 ELPS. The comparable figures for 2004 and 2008 monitoring are set out below.

Table 1

Total Land Supply as at 31 03 04 (ELPS, 2005)	Total Land Supply as at 31 03 08
27.97 ha	15.55 ha

3.6 The issue of land supply shortage within the LDF area is still relevant in terms of informing the Core Strategy and other relevant DPD's. In fact the evidence in Table 1 demonstrates that the land supply position has

[2] South Lakeland Local Plan 2006 & Alterations (Final Composite Plan). Document combines the South Lakeland Local Plan adopted in 1997 and the Alterations to the Local Plan adopted in March 2006. Composite Plan published September 2007.
[3] CCC – Cumbria County Council Spatial Planning Unit Monitoring; Employment Land & Floorspace Schedules http://www.cumbria.gov.uk/planning-environment/spatialplanning/ela/ela.asp
[4] B1 - Business -also has sub categories B1a) and b) includes office and research and development and c), Light Industry. B2 – General Industrial and B8 – Storage & Distribution

deteriorated significantly. This is primarily due to development either being under construction or being completed. For example in March 2008, 4.70 ha of allocated land at Phase 2 of the Low Mill Business Park, Ulverston, is no longer included as part of the overall land supply as the development/site is under construction. Similarly, 1.10 ha of allocated land at Grisleymires, Milnthorpe, is under construction.

3.7 The land supply shortage is not unexpected, given that the overall land supply has not increased; no further sites have been allocated and there have not been planning applications approved for any monitored non-allocated sites over 1 hectare in size. Land supply (allocations) are not being replaced with new windfall planning applications. This suggests that the constraints to development identified in the ELPS are still pertinent.

3.8 As in 2005, **the supply is still insufficient in terms of under compliance with the extended and saved Joint Structure Plan (JSP) Policy EM13 for both the current plan period 2006 – 2011 and beyond**. The current situation detailed in Table 2 (see next page) demonstrates that none of the employment market land sectors defined in JSP policy EM13 have a supply of readily available land in either the west or eastern part of the LDF area.

3.9 The lack of a range of sufficient sites across market sectors which can be readily developed and that are in the location where businesses require land and premises, is still an important current planning policy issue that the LDF needs to address through the Core Strategy and Allocation of Land DPD. The limited developable land supply is reflected in the relatively low employment land take up rates. Over the 5 year period from April 2003 to the end of March 2008, the annual average take up rate of land for B use class uses was 1.27 ha per annum. This is significantly lower than the 3.8 ha per annum indicated in the extended/saved JSP Policy EM13 for the plan period 2001 – 2006 and the indicated annual rate of 4.8 ha for the Structure Plan period 2006 – 2011.

Table 2

Employment Land Supply – Compliance with Saved Structure Plan Policy EM13

Saved Structure Plan Policy EM13 – Minimum Requirement/Supply for the plan period 2006 – 2011 (Ha)		31 03 08 supply (**including constrained sites**) by Employment Market Sector (Ha)		Saved JSP Policy EM13 Land Requirement Met?
Business Park	6ha	Business Park (south & east sub County area/eastern part LDF area)	2.20ha	-NO – all of 2.20ha constrained.
		Business Park (Furness Sub County area/western part LDF area)	0.00ha	- NO
Local Employment	8ha	Local Employment (south & east sub County area/eastern part LDF area)	5.30ha[5]	In terms of quantity, requirement met, however, when consider which land is readily available[6], then requirement not met, see footnotes 3 & 5.
		Local Employment (Furness Sub County area/western part LDF area)	3.55ha[7]	
Strategic Employment	10ha	Strategic (south & east sub County area/eastern part LDF area)	4.50ha all readily avail.	- NO
		Strategic (Furness Sub County area/western part LDF area)	0.00 ha	- NO
Total	**24ha**	**Total**	**15.55ha (inc. 5.67 ha available).**	

Source: Cumbria County Council Spatial Planning Unit – ELA monitoring 31 03 08.

[5] Considered Readily Available = 0.42 ha – 0.10 ha Station Approach, Milnthorpe, 0.27ha Extension to Meadowbank, Kendal, 0.05ha Mile End, Flookburgh.

[6] Structure Plan Saved Policy EM13 defines readily available as '… not constrained by inadequate service infrastructure, ownership and significant remediation costs'. Approved RSS Policy W3 defines available as

3.10 The insufficient supply and the associated pent up demand for employment land is reflected in recent land values in the Kendal area, which are higher than the north west average. For industrial & warehouse development land sales, the following are typical illustrative values per hectare:

Kendal - £525,000 per ha. –
By comparison: -
Manchester - £600, 000 per ha
Lancaster - £500, 000 per ha
Warrington - £450, 000 per ha
Central Lancs. (Preston) - £625,000 per ha
Carlisle / M6 Corridor - £405,000 per ha
North West Average - £473,333 per ha.
NB. Prices based on actual transactions - (Source: Valuation Office Agency, HM Revenue & Customs, Property Market Report, as at 1st January 2009).

3.11 b) Quality of Existing Allocated/Committed Employment Sites

Stage 1 of the 2005 ELPS '…**concluded that overall, the allocated sites are of poor quality, with just five sites (8.03 ha) readily available** for development and without any serious issues or constraints prohibiting development'. Details of these five sites as at 2004/2005 are given in Table 3 (see over page) together with a comparison of the position for these five sites as of March 2008. **In 2008 5.18ha is still available**, consisting of land with allocation and consent at Station Yard Milnthorpe and allocated land at Shap Road, Kendal.

3.12 In general it is considered that sites are not being made available due to the costs associated with providing infrastructure and issues where sites are in more than one ownership.

' defined as fully serviced and actively marketed or likely to be fully serviced and actively marketed in the next three years'.
[7] Considered Readily Available = 0.75 ha Remaining Part Phase A, Low Mill Business Park, Ulverston

3.13 Table 3

Name of Site (Available in 2004/5)	2005 Land Supply (Ha)	Included in 2008 Land Supply? (Ha)
Tram Lane, Kirkby Lonsdale	0.58 ha available allocated in 2005 (corrected to 0.23ha)	No – Remaining 0.23 ha lost to retail car parking for Booth's March 2008
Mint House, Kendal	0.22ha with planning consent	No – 0.22 ha lost to D1 use – place of worship
Grisleymires Lane, Milnthorpe	Yes 1.50ha allocated	No – 1.10 ha (revised figure) under construction March 2008
Station Yard, Milnthorpe	Yes, 3.33 allocated & 1.72 with planning consent	Yes, 2.95 allocated and 1.55 with planning consent = 4.50ha available (revised totals)
Shap Road, Kendal	0.68ha allocated	Yes – 0.68ha. Included in supply but as in ELPS 2005, p66, not known to be being actively marketed. Not included as readily available 03 2008.
Sub Total	**8.03 ha ELPS (2004/2005)**	**5.18 ha (03/2008)**

3.14 Table 4 (over page) considers the quality of **all the current (March 2008) monitored land supply. Only 5.67 ha of the total supply of 15.55 ha is 'readily available'** as defined in the approved Regional Spatial Strategy (RSS) for the North West, paragraph 6.8 as ' fully serviced and actively marketed, or likely to be serviced in the next 3 years'. This compares with 8.03 hectares in the 2005 ELPS. The issue with the land supply being of insufficient quality and not readily developable still remains, **nearly two thirds (63.5%) of the land supply is constrained and not considered to be readily available**. This has policy implications for the emerging LDF, particularly the Core Strategy and the Allocations of Land DPD – the need to allocate more land for employment uses, which is suitably located and readily available.

3.15 Table 4

Employment Land Availability

Constrained Sites March 2008 (Ha)		Available Sites March 2008 (Ha)	
Shap Road, Kendal (Alloc)	0.68	Station Approach, Milnthorpe (planning consent - pc)	0.10
Former Goods Yard, Burneside (pc)	0.18	Extension to Meadow Bank, Kendal (pc)	0.27
Shenstone, south of Kendal (outline pc)	2.20	Mile End, Flookburgh (pc)	0.05
Moor Lane, Flookburgh (Alloc)	1.10	Station Yard, Milnthorpe (Strategic Alloc & pc) [8]	4.50
West End Lane, Ulverston (Alloc)	2.80	Remainder Phase A, Low Mill Business Park, Ulverston (Alloc)	0.75
Quarry Lane, Storth (Alloc)	1.20		
Fallbeck, Gateback (Alloc)	0.62		
Allithwaite Road, Grange (Alloc)	1.10		
	9.88ha		**5.67ha**
		Total all supply 15.55 Ha	

3.16 Retention / De allocation of Sites:

The 2005 ELPS concluded that just 5 sites that equated to 8.03 hectares are readily available. In March 2008 just 5.67 hectares of the total supply of 15.55 ha are considered to be available (Table 4 above refers). The poor quality of most of the sites and the high level of constrained land suggests that further land allocations will be required in the LDF in accordance with the sequential approach to development. The ELPS noted that in certain circumstances, land on the edge of settlements (urban extensions) might be more sustainable than development in the centre and on the edge of centre, as sites may be more accessible to transport infrastructure.

3.17 The 2005 ELPS added the caveat that given the limited availability of public sector funding for infrastructure provision, and then any sites allocated in the LDF must be capable of being funded and maintained

[8] 2005 ELPS, page 105, Table 53, assessed Station Yard Milnthorpe as having no serious issues/constraints & available in less than 2 years. Issues: allocated land split into 2 ownerships

and ultimately delivered at a viable cost by the private sector. Site allocations will need to be sufficiently attractive to the market, notwithstanding planning policy and sustainability considerations.

3.18 c) Spatial Imbalances between Existing Employment Allocations

East of the District - Kendal:

The 2005 ELPS highlighted issues in Kendal re site availability. Commercial Property Agents Carigiet Cowen's opinion was there are very few potential opportunity sites in the urban area of Kendal and that the urban capacity for industrial/business activity is consequently very limited. Furthermore, should a site be made available, most sites are constrained by such factors as road access or the limited size of the site. They may also be compromised from strong competition from alternative uses, particularly housing. This viewpoint was also reiterated in the 2007 Kendal Economic Regeneration Action Plan (KERAP). The under used site referred to in the KERAP at Kendal Canal Head is the subject of the Kendal Canal Head Area Action Plan (AAP), which when approved will provide the planning framework for the regeneration of the area. The Council's Preferred Option includes a proposal for mixed use including employment land use.

3.19 West of the District – Ulverston:

Integral to the 2005 ELPS, the business survey revealed significant levels of demand for the Ulverston area in terms of general industrial/manufacturing uses. Much of the existing land supply is significantly constrained, with the remaining 2.80 hectares green field site allocated at West End Lane being significantly so. There is a need for more employment land particularly for indigenous business expansion and to develop further Ulverston's cluster of high value manufacturing technology (environmental technology cluster).

3.20 There is brown field land at Ulverston Canal Head and on North Lonsdale Road that offers potential for redevelopment. Most of the land/premises is currently occupied by businesses.

3.21 The emerging Core Strategy is likely to refer to the Ulverston Canal Area as an area of significant change, and will include a policy framework for the regeneration of the area.

3.22 d) Balance between the resident population's needs and aspirations against the employment opportunities on offer:

Stage 1 of the 2005 ELPS featured an economic and demographic baseline trends assessment that set out a profile of socio-economic conditions in South Lakeland. Trends in overall levels of employment, the loss of major local employers, the impact of changes in the agricultural sector, the growth of tourism, relatively low wages, the (un) affordability of housing, the growth in service sector employment, and the availability of a skilled and educated workforce have all resulted in an economic trajectory for the District that will need to be ameliorated (in part) by pro-active and positive planning for employment land provision.

3.23 An update of demographic and economic baseline trends since 2005 indicates that the trends in overall levels of employment, the growth of tourism, relatively low wage levels etc have not changed significantly. Detailed statistics are given in the Appendices – See Appendix 1, page 25.

3.24 e) Policy Initiatives and planning considerations in adjacent areas

The 2005 ELPS identified a lack of grant assistance in much of South Lakeland, the continued imbalance between the cost of development and its end value and uncertainty within the regional, national and global economies results in a high degree of competition from other local authority districts for occupiers. Whilst established companies already situated in the study area are likely to want to stay in the existing area, this could change if site availability remains limited in the District. The 2005 study also stated that Kendal is identified as an employment zone for Lake District Residents (along with Penrith), whereas Ulverston is identified as one of two potential key centres for the development of a recreational development zone[9]. Kendal is seen as an employment opportunity area primarily due to its relatively good communications links, including the M6 motorway and West Coast Mainline.

3.25 Policy Initiatives and planning considerations since 2005

In June 2007 SLDC published the Kendal Regeneration Action Plan Final Report (KERAP)[10]. This report referred to the well-documented lack of good quality, well located serviced employment sites in Kendal (evidence in 2005 ELPS Business Survey & low vacancy rates) One of the conclusions of the report was that in terms of action, a priority is *"to radically improve the economic infrastructure and in principle*

[9] Source: Lake District Economic Futures Study – Stage 1 & Stage 2 Report, NWDA, June 2004.
[10] Kendal Economic Regeneration Action Plan, Final Report, June 2007, SLDC.

decisions need to be taken to establish an agreed programme of short, medium and long term priorities that include the urgent provision of good quality employment sites".

3.26 As part of the Baseline Report for the KERAP[11] questionnaires followed by face-to-face interviews with a non-random sample of businesses (17 of 25 responded) located in Kendal were undertaken in 2007. The businesses were selected to reflect the diverse range of businesses operating in the town, loosely selected to include different types of businesses. The businesses were also located in different parts of the town centre and on the edge of town, and were both long and newly established businesses. The interviews and questionnaires were intended to provide a snapshot of opinions and views of business prospects and issues relevant to that particular business interviewed. Six of the businesses were actively looking to expand and relocate. The baseline report stated that the majority of those interviewed were intending to grow their business. In terms of infrastructure, new employment sites/new quality premises were considered by businesses to be definitely needed, such as a light industrial/business park.

3.27 <u>f) Demand for Employment Sites & Amount of Land Required</u>

The stage 1 ELPS analyses the likely demand for employment sites at three levels: historic take up rates of employment land over the past few years; quantitative demand projections interpreted from NWDA employment projections; and commercial demand projections, based upon historic levels of demand recorded by site enquiries and the needs of existing/new companies wishing to locate/relocate within South Lakeland.

3.28 Amount of Employment Land Required:

Annual Supply:
The ELPS advises that taking the '2005' demand projections in their totality, it is estimated that **SLDC should seek to ensure that around 4 hectares of employment land is provided per annum.** This is slightly in excess of the annual average 3.8 ha take up rate indicated in saved Structure Plan EM13.The ELPS argues that this additional land is **fundamentally required** due to the following 5 factors set out in Table 5 over the page.

[11] Kendal Economic Regeneration Action Plan: Baseline Report, May 2007, SLDC.

3.29 Table 5

Factor in 2005 ELPS	March 2008 Position	2009 – Additional Factors to Support 4ha land requirement
1. the fundamentally low vacancy rates in South Lakeland (range from 2 – 3% over the period April 2000 to March 2005 – the comparable figure for NW Region ranges over the same period from 7% to 10%).	See column to right.	The most recently published estimated vacancy rates for South Lakeland are for the financial year April 2004 – March 2005 are 3% for industrial and commercial properties. The vacancy rate has remained low at 3% since April 2001 (financial year) Source: ONS/CLDG.
2. the paucity of allocated high quality unconstrained employment sites	March 2008 - still an issue. Only 5.67 ha of land supply are readily available, of which only 3.7ha is currently allocated in the Local Plan.	March 2009 – No increase in land allocated/quality of allocated sites. The Cumbria Economic Strategy 2009 – 2019 (Feb. 09) highlights opportunities in South Lakeland – for high value manufacturing (environmental Technology), and knowledge based industry, this infers a need for high quality serviced allocated sites.
3. the need to provide an adequate range/choice of sites for development over the longer term in order to respond to demand	March 2008 - still an issue. Need to broaden economic base.	2009 still an issue – Need to have a range of sites to meet a range of business types. Need a flexible approach- a range of sites that can respond to changes in the market/economic circumstances
Factor in 2005 ELPS	March 2008 Position	2009 – Additional Factors to Support 4ha land requirement
4. the facilitation of the NWDA's aspirations for	March 2008 - still an issue.	March 2009 – still an issue.

	Kendal to act as an Employment Zone. (Need for additional mixed use business space to support the growth of Knowledge based industries) for residents of the Lake District National Park (Lake District Economic Futures Study 2004)	NWDA – August 2007 published South Lakeland knowledge Based Industry Land Search Assessment to inform the LDF – put forward recommendations for 4 unconstrained sites suitable for knowledge based industry	
5.	the importance of ensuring that Ulverston remains an important contributor to the District's economy in its own right (to balance the relative vitality of the east; and to align the employment land offer with the pro – active economic vision of the District	March 2008 - still an issue	The Cumbria Economic Strategy 2009 – 2019 (Feb. 09) highlights opportunities particularly in Ulverston for high value manufacturing (environmental Technology cluster) - opportunities of Energy & the Low Carbon Economy.

3.30 Total supply over the plan period:

The 2005 ELPS found a general shortfall of employment land in the District relative to the potential demand. The study suggests that SLDC should consider allocating **15 years worth of employment land** at the start of the planning period. This equates to 60 hectares over the plan period (from 2010 to 2025). The study goes on to say that, as it would be unrealistic to expect that all of the employment land required to cover a fifteen-year plan period would be unconstrained and immediately deliverable. The study suggests that within the 15 years allocated supply, there should be **a rolling provision of five years worth of high quality, unconstrained land that is readily available for development** at any one time, spatially distributed across the District in accordance with the sequential hierarchy. **This would equate to around 20 hectares of land (gross) at any one point in time.**

3.31 Based on March 2008 monitoring, the shortfall in land supply has increased relative to the 2005 ELPS supply. **Therefore the 2005 ELPS's suggestion that SLDC should consider 60 hectares over the plan period (from 2010 to 2025) is still valid.**

3.32 g) Provision of particular market sectors/type of employment land:
Saved Structure Plan Policy EM13 provides for land in the Strategic Employment Site, Business/Science Park, and Local Employment Site Market Sectors in the District.

Table 6

Sub – County Area	Employment Land Market Sectors	Period		
		2001 – 06 (Ha)	2006 – 11 (Ha)	2011 – 16 (Ha)
Furness and West Cumbria: South Lakeland	Strategic Employment Site	0	5	0
	Local Employment Site	3	3	3
	Business/Science Park	3	3	3
South & East Cumbria: south Lakeland	Strategic Employment Site	5	5	0
	Local Employment Site	5	5	5
	Business / Science Park	3	3	3
	Total	**19ha**	**24ha**	**14ha**

3.33 Policy EM13 advises that SLDC should seek to ensure that this forward supply of readily available employment land is made available at the start of each identified plan period (up to 2016). The Policy further states that the provision of land in excess of that indicated in the above table would be justified only if it is demonstrated that the existing supply of land does not accommodate user requirements or is needed to satisfy take up rates. As outlined on page 5 of this report, **the current (2007) supply is still insufficient in terms of under compliance with saved Joint Structure Plan (JSP) Policy EM13 for the current plan period 2006 – 2011 and beyond**.
None of the employment market land sectors defined in the policy has a supply of readily available land in either the west or eastern part of the LDF area for the 5 year period up to 2011. The LDF will need to allocate employment land and potentially de - allocate those current allocated sites that do not score well re. sustainability, market attractiveness and deliverability and that are unlikely to be developed out in the LDF plan period.

3.34 Sectoral Split of Sites: The 2005 ELPS supported the sectoral market split based upon the Structure Plan requirements set out in Table 6 above. The ELPS recommended a split of the total supply of employment land, would result in around 16 hectares (26% of the total) of land for Strategic Employment Sites; 19 hectares (32%) of land for Business / Science Parks; and 25 hectares (42%) of land for Local Employment Sites, based upon a forward supply of 60 hectares over 15 years – the five year rolling allocation would require a pro rata reduction totalling 20 hectares. Such a split would roughly comply with the desired split noted in the 2005 Business Survey amongst respondents. There is no evidence to the contrary, to suggest that the recommended sectoral split is not appropriate.

3.35 Policy W3 of the North West of England Plan – Regional Spatial Strategy (RSS) deals with the supply of employment land that is expected to be available between 2005 and 2021. The RSS defines available sites as " fully serviced and actively marketed or likely to be fully serviced and actively marketed in the next three years". The policy focuses on allocations for B1, B2 and B8 land use. The policy advises that local planning authorities should undertake a comprehensive review of commitments, to secure a portfolio of sites that complies with the RSS's spatial development principles and sub regional policies and to ensure the most appropriate range of sites, in terms of market attractiveness and social, environmental and economic sustainability are safeguarded for employment use. A review of the overall supply of employment land that will include additional sites which have been put forward for consideration (sourced from various evidence based studies) will be carried out in the next few months. Key considerations will be an assessment of site sustainability, planning policy, marketability and deliverability. This will inform the selection of 'preferred sites' for the Allocation of Land.

3.36 Based upon the key themes and issues raised in Stage 1, Stage 2 of the 2005 ELPS derives a series of employment land policy recommendations:

3.37 h) Type of Employment Land Required

Breakdown of use of Sites: The 2005 ELPS recommends that in accordance with the Structure Plan requirements (See Table 6 previous) and the indications emerging from quantitative and qualitative demand projections (which indicate a strong growth in warehousing and distribution in particular), the majority of future allocations should be for **General B employment use.** In addition it was noted that there should still be a particular allocation relating to high quality office/ light industrial space, for B1 use only. It was considered that it would not be unreasonable to split the total employment land hectorage as 70% for General B use, with the remaining 30% specifically allocated for high quality B1 employment uses.

3.38 Size of Sites: The 2005 ELPS found that the split between Market Sector sites suggests that there should be a bias towards the provision of smaller sites for Local Employment Use, but also some provision for larger sites suitable for the needs of inward investors. There is no evidence to the contrary; to suggest that planning for a range of site sizes and uses is not needed. There is still the need to attract new investment into the LDF area and attract higher paid jobs. The supply of employment land still needs to be responsive to demand.

3.39 Spatial Location of Employment Sites in South Lakeland: Sequential Location of Employment Sites:

The ELPS suggested that a sequential hierarchy of sites should be applied to all future allocations of employment land. As first preference, sites should be located within town centres, either through the effective re –use of existing buildings or through developing vacant brown field land; secondly, the use of previously developed land on the edge of town centres; thirdly, the development of 'urban extensions' to the built up area; and fourthly, the development of other greenfield sites that are well located regarding housing, services and transport infrastructure. This advice is still appropriate and is in line with national and regional policy.

3.40 Spatial Location of Sites:

As regards the spatial location of certain types of sites and market sectors, the 2005 ELPS makes the following recommendations (see Table 7 over page).

3.41 Table 7

Location	Spatial Hierarchy	Market sector
Kendal	1. Kendal Town Centre 2. Kendal Urban Area 3. Urban Extension to Kendal 4. South Kendal Corridor and around Junction 36 of the M6 5. Surrounding Area	• Local Employment Needs Sites • Strategic Employment Sites • Business / Science Parks
Ulverston	1. Ulverston Town Centre 2. Ulverston Urban Area 3. Surrounding Area	• Local Employment Needs Sites • Strategic Employment Sites • Business/ Science Parks
Grange – over – Sands, Milnthorpe & Kirkby Lonsdale	1. Town Centres 2. Urban Areas 3. Surrounding Areas	• Local Employment Needs Sites
Local Service Centres	1. Town / Village Centre 2. Edge of Centre 3. Surrounding Area	• Local Employment Needs Sites

3.42 The current insufficient supply of quality readily available employment land within the area is an important issue that the emerging LDF will need to identify & address.

4.0 Emerging LDF – Potential Forward Supply of Employment Land

4.1 The emerging Kendal Canal Head AAP [12] will form part of the LDF for South Lakeland. It will provide a spatial planning framework for the regeneration of an area of Kendal between Kendal Canal Head and Change Bridge, off Parkside Road. The AAP's Preferred Options Report of April 2008 puts forward its preferred option – the 'Preferred Options Base Scenario' which proposes a mix of employment and residential development at Change Bridge – equating to 3076m2 (0.3 ha) of new

[12] Kendal Canal Head Area Action Plan, Preferred Options Report, Final April 2008, Ove Arup & Partners for South Lakeland District Council.

floorspace for office B1 (a) use and 2500m2 (0.25ha) for industrial B2 use. The report also puts forward five variations to the preferred option, with each variation having a different composition and scale of land use in the Change Bridge character area. Options range from having no employment land use at Change Bridge to 100% employment land use.

4.2 A number of reports and evidence base studies have either been completed or are underway that will inform the emerging Core Strategy and Allocations of Land DPDs'.

4.3 The Emerging Kendal Canal Head Area Action Plan (AAP):

There is obviously potential for some employment land use as part of any redevelopment, but the amount will depend on whether the AAP's preferred option, or a variation to it, is taken forward for publication and then submission to the Government.

4.4 LDF: Brown field Land - National Land Use Database (NLUD):

The NLUD[13] is a survey which relates to previously developed land and buildings that may be available for development, whether vacant, derelict or still in productive use. All the sites annually monitored by the Council relate to the LDF area.

4.5 A key tenet of national planning policy and RSS Policy W3 relating to the supply of employment land is to maximise the amount of brown field land. The 2005 ELPS recommended that in order to minimise the future allocation of green field sites, the NLUD database should be assessed to quantify the amount of available brown field land in the district that has potential for future employment use and that could be attractive to the market.

4.6 In terms of the potential future land supply for the emerging Allocations of Land document, an initial scoping exercise of the March 2008 NLUD survey of all 48 brown field sites (equating to 32.391 ha) indicates that 21 sites (equating to approx. 23 hectares) of land may have potential for employment use.

4.7 These brown field sites will be taken forward for further assessment as part of the work to inform the emerging Allocations of Land DPD. The majority of these sites have already been put forward for consideration for the Allocations of Land, either by members of the public or by other organisations. It is important to note that the NLUD survey data specification includes sites already in use that may have scope for redevelopment.

[13] http://www.nlud.org.uk/index.htm

4.8 The twenty three sites not considered suitable as a result of the NLUD scoping exercise for consideration to inform the allocation of Land DPD, generally were those sites which either had a valid planning consent, were listed buildings, located in the open countryside or had been developed since the March 2008 survey.

4.9 Other Evidence Based Studies:

The Employment and Housing Land Search Assessment and its addendum report (SLE&HLSS)[14] identifies potential sites in relation to potential urban extensions at Kendal, Ulverston, Grange – over - Sands, Milnthorpe and Kirkby Lonsdale, together with twenty one of the larger local service centres. In addition the study examined the potential for a new local strategic employment site at the following locations: M6 Junction 36, Sedgwick Junction on the A590, Brettagh Holt Junction A590/A591, South of Milnthorpe Station, Gateway Proposals Site, Crooklands and land adjacent to the existing employment allocation at Shenstone near Kendal. The findings of the study, a summary of which is set out below, will inform the emerging Core Strategy and the Allocations of Land DPD.

4.10 In terms of identifying development potential for employment sites (sole use), the main report conclusions identified eight potential employment sites equating to 66.14 ha identified as potential extensions to six of the settlements, with 110.50 ha across twelve potential Local Strategic Employment sites also identified. The addendum report identified one potential employment site equating to 2.82 ha (land adjacent Shenstone[15]). There were no potential sites identified of the size (5 hectares or more) to be termed a Local Strategic Employment Site. The 5 hectares threshold is an indicative threshold. A number of the larger identified potential sites could still function as strategic employment sites.

4.11 The SLE&HLSS also identifies potential mixed-use sites that include employment use. A general assumption is made in both the main report & addendum that mixed-use sites are split 50:50 between residential and employment use. The main report identifies seven mixed-use sites over six settlements, with potential to provide 26 69 ha of employment land. The addendum report identifies three mixed-use sites over three settlements equating to 3.24ha of land for employment purposes.

4.12 All of the potential sites in the main report and addendum were appraised and categorised relative to their sustainability and

[14] The South Lakeland Employment and Housing Land Search Assessment, Gillespies LLP for SLDC, March 2009.
[15] Part of site already allocated for B1 use in the South Lakeland Local Plan.

deliverability. Few of the main report sites identified solely for employment use score highly in terms of sustainability and deliverability. For the identified Local Strategic Employment Sites, there are sustainability issues with many of the sites. The report states that in this sense the preferred sites are those that are more closely related to Kendal. The main report mixed-use sites fall within the higher categories, 1, 2 and 3 and as a result the report suggests that these sites have potential for development. In terms of the Addendum, the employment site at land adjacent Shenstone scored poorly (category 5) in terms of sustainability.

4.13 The North West Development Agency's (NWDA's) 'Knowledge Based Industry Land Search Assessment'[16] is another study that has been published. It provides evidence that will inform the assessment of some of the sites under consideration for potential employment allocation.

5.0 <u>Further evidence required</u>

- Work necessitated by the Regional Spatial Strategy (RSS) for the Northwest - Policy W3 quantifies the amount of the employment land needed in the Cumbria Sub-Region and acknowledges the degree of uncertainty in establishing employment land requirements. To account for this flexibility a factor of 33% has been added to the employment land requirements for the Cumbria sub region, which, where appropriate, may need to be applied based on what the evidence base reveals. This will require a judgement from Cumbrian Local Planning Authorities (LPA's) working with 4NW. The supporting text to Policy W3 states that, " *the provision of figures by sub region will require local authorities and other partners to work together to agree the distribution of land within each sub region. The Regional Planning Body will facilitate this approach. Where possible, figures should be distributed in accordance with local labour market areas, broadly indicated by Travel to Work Areas identified in the 2001 census…"* Further details are set out in Table 3.16 of the Technical Appendix that accompanied the submitted draft RSS and the in the Employment Land Implementation Note – April 2009. To date no sub-regional discussions with LPAs' and 4 Northwest (4NW) with regard to establishing the land requirement for the sub-region as a whole and the desegregated land requirements for South Lakeland LDF area have taken place.

- There is a need to provide an update of the 2005 ELPS to

[16] Final Report - South Lakeland: Knowledge Based Employment Land Search & Assessment, NWDA, August 2004

ensure a roll forward to 2025, so as to align with the end date of the Core Strategy. The review will include an assessment of the longer-term employment land requirements and set out how the review findings, including local market supply and demand, differ from the ELPS analysis undertaken in 2005 and the information contained within the position statement report. E.g. an update of the quantitative demand forecasting for B use classes.

- The ELPS review needs to provide supporting commercial property market information, the demand/supply position including business survey as per the ELPS methodology. In view of the changes in economic circumstances, also needed is a general commercial property market appraisal.

- Outwith this report, relating to sites to be assessed/considered for potential allocation, a commercial market appraisal is required which will consider sites attractiveness to the market. For those sites with outdated or little information, then information gathering relating to site infrastructure and deliverability will be undertaken.

APPENDICES

APPENDIX 1

Post 2005 - Analysis of Demographic and Socio – Economic Statistics

The Labour Market:

Population –

The overall population of South Lakeland continues to gradually rise. The population is ageing, with a greater proportion of people being of above working age. It is important that the District's younger population is retained to become economically active. In 2007 the population in South Lakeland was 104,900 of this, 60,000 (57.2%) were of working age (16 – 64 for males and 16 – 59 for females) and 27,5000 (26.2%) were above working age, which compares to 19.1%, 61.8% and 19.2% respectively in the north west region. (Source – 2006 mid year population estimates from ONS)

Unemployment-
Levels of unemployment in the District remain relatively low. The Job Seekers Allowance (JSA) claimant rate at 0.8 for the District is lower than the comparable figure for Cumbria (2.3) and the northwest region (3.8) (Source Jan. 2008 Claimant Count with Rates & Proportions from ONS).

Economic Activity Rate –
The 2007 rate for the District was 78.0 compared to 79.3 for Cumbria and 76.5 for the region. (Source – April 2006 – March 2007 Annual Population Survey from ONS.

South Lakeland Workforce –
The importance of the growth of tourism is reflected in the figures below. South Lakeland is still heavily reliant on the distribution, hotel and restaurant sector.

Table A1

South Lakeland Workforce 2007

Standard Industrial Classification	South Lakeland	Cumbria
Total Workforce	**47, 022**	**217,630**
Agriculture/Fishing	847	3,586
Energy/Water	634	2,348
Manufacturing	5,132	37,728
Construction	2,400	11,660
Distribution/Hotels/Restaurants	17,350	62,331
Transport/Communications	1,754	10,848
Banking/Finance/Insurance	5,785	26,156
Public Admin	10,373	53,350
Other Services	2,747	9,623

Source: Annual Business Inquiry 2007. This data set excludes self-employment in all sectors.

Local Economic Performance -

Productivity - Gross Value Added (GVA) & New Business Registration Rates - The new business registration rates (Table 2 below) and the GVA[17] performance indicate good potential for growth. In terms of New Business Registration Rates[18], South Lakeland along with Eden District has shown the highest rates in Cumbria since 2002 and is always above the Cumbrian average.

Overall East Cumbria's (including South Lakeland) economic productivity (GVA) is growing faster (grown by 51,8%) since 1995, compared with 29% in West Cumbria. However it is recognised that the GVA data covers the period to the end of 2006 and therefore does not include the period of economic instability experienced to 2008 and 2009.

Table A2

New Business Registration Rates - 2002 – 2006 for South Lakeland, Cumbria & Other Districts.

Year	Cumbria	Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland
2002	33	30.8	12.3	32.1	19.8	54.5	46.5
2003	38.5	37.8	25.3	35.5	33.9	46.5	48.5
2004	31.1	27.2	20	34	19.4	46	40.5
2005	30.4	31.7	17.3	34.4	21	36.3	38.4
2006	31.4	26.5	21.6	33.5	25.2	39.7	40.1

Source: Cumbria Intelligence Observatory, Cumbria County Council.

[17] GVA –Data covers the period to the end of 2006 (does not include 2008) - Gross Value Added – This is the value of outputs (products, services) minus the value of the inputs (materials, components etc.), ONS.
[18] Local Authority New Business Registration Rates – Source Cumbria Intelligence Observatory at http://www.cumbriaobservatory.org.uk/elibrary/content/internet/536/671/2897/5186/39779103742.pdf

Vacancy Rates-

Estimated vacancies for commercial and industrial properties in South Lakeland for the 5 year period April 2000 to March 2005 remain similar to vacancies in Eden District. Both Districts have levels of estimated vacancies below the national average.

Estimated (rounded up) Vacancy Rates by % for Commercial & Industrial Properties in South Lakeland by Financial Year (April 2000 – March 2005).

Table A3

FINANCIAL YEAR	**Local Authority Area South Lakeland**	**Statistical Value Hereditament**	**Vacant Property Estimates Data Value - Percentage**	Regional Comparator Eden District	National Comparator
April 2000 - March 2001	South Lakeland	hereditament	2%	2%	7%
April 2001 - March 2002	South Lakeland	hereditament	3%	3%	10%
April 2002 - March 2003	South Lakeland	hereditament	3%	3%	10%
April 2003 - March 2004	South Lakeland	hereditament	3%	3%	10%
April 2004 - March 2005	South Lakeland	hereditament	3%	2%	10%

Source – ONS Neighbourhood Statistics

The data can be used as an indicator to measure levels of business activity in their area to monitor the potential for new development.

Note - returns will under estimate the total level of vacant property.

VAT Registered Businesses (2007)

VAT registrations and de-registrations are the best official guide to the pattern of business start-ups and closures. They are an indicator of the level of entrepreneurship and of the health of the business population.

The net change (number of registrations minus number of deregistration) in South Lakeland shows net gains in VAT registrations for all years from 2003 to 2007 see Table A4 below.

Table A4

VAT Registered Businesses (2007)

	South Lakeland (numbers)	South Lakeland (%)	North West (%)	Great Britain (%)
Registrations	380	6.9	10.6	10.2
Deregistrations	295	5.4	7.5	7.4
Stock (at end of year)	5,475	-	-	-

South Lakeland Registrations 2003 - 2007

Year	Registrations	De-registrations	Net Change	Total Stock at beginning of year
2007	380	295	+85	5475
2006	350	285	+65	5390
2005	340	240	+100	5325
2004	360	265	+95	5225
2003	415	285	+130	5130

Source: Department for Business Enterprise and Regulatory Reform (BERR) – VAT Registrations/De-Registrations by industry
Note: % is a proportion of stock (at end of year)
Excludes small 1 person businesses

Type of Enquiries from Businesses -

Business Link Enquiries by Business 1st April – 28th December 2008

Indicate that growth potential for South Lakeland with the top three enquires to Business Link concerning skills, business growth and starting businesses. Further analysis of Business Link enquiries indicates that business growth could potentially come from the digital and creative services and the professional services.

Table A5

Breakdown of Enquiries by Business Issue	
Enquiry	%
Business Growth General	36
Finance	6
HR including employment	1
Other	1
Sales and Marketing	4
Skills	41
Thinking of Starting	11

Within the same period in 2008, most of the enquiries dealt with by Business Link related to business growth and skills, see above table.

Table A6

Business Link's Intensive Assists by Sector 1st April - 28th December 2008

Intensive Assists by Sector	
RES Sector	%
Advanced Engineering	9
Business and Professional Services	19
Digital and Creative	23
Energy and Environment	7
Food and Drink	25
Non - RES	18

- RES – NWDA'S Regional Economic Strategy

Table A7 below shows that in South Lakeland (£253,893) the average house price at 2008 was considerably above the average house price for Cumbria (£177,653).

The relatively high house prices coupled with relatively low wages means that the ratio of the cost of houses relative to income is high. The average housing affordability ratio for South Lakeland in 2008 being 7.9.

Table A7

South Lakeland – 2008 House Price vs. Income

Price/Income/Affordable	South Lakeland	Cumbria
Average house price		
Mean	£253, 893	£177,653
Median	£222,438	£152,245
Average household income		
Mean	£32,156	£30,637
Median	£27,567	£25,921
Housing Affordability ratio		
Mean	7.9	8.8
Median	8.1	5.9

(Source: CACI, Street Value, Pay check 2008)
CACI – post code survey of household income