

8.0 APPENDICES

8.1. REPRESENTATIONS DATED MAY 2008

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The Development Plans Manager
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Dear Sir/Madam

REPRESENTATIONS OF GILBERT GILKES AND GORDON TO KENDAL CANAL HEAD ACTION AREA PLAN PREFERRED OPTIONS REPORT

We write on behalf of Gilbert Gilkes and Gordon Limited to provide further representations to the Kendal Canal Head Action Area Plan Preferred Options Report, which has been prepared for the Council by Ove Arup. As you will recall, the company has made representations at the Issues and Options stage of the Action Area Plan and has been in discussions with the Council for some time over its future plans. Gilbert Gilkes and Gordon Limited ("Gilkes") is one of the largest and most well-established companies in Kendal and operates a world class leading business involved in the manufacture of hydro-electric turbines, which are sent throughout the world from the Kendal base. The existing plant at Canal Head North has been in place since the mid-19th Century and is completely out of date to support the modern manufacturing requirements that Gilkes now have. The company wishes to stay in the Kendal area; however,

in order to provide a new plant, it needs to be able to fund both its removal process and the costs of a new plant from the value of its current site within Kendal.

Some time ago, the company considered the redevelopment of its site for a combination of housing and a new factory. Whilst no application was submitted, the Council indicated it had difficulties with that process (eg, due to the reduced amount of affordable housing that was being provided) and it may have been seen to prejudice the overall master planning process for the Canal Head North area. Whilst Gilkes did not necessarily accept that view, it is though supportive of the need for a comprehensive redevelopment of the Canal Head North area but only if it achieves its principal objective of establishing a new factory in Kendal. It should be a key part of any regeneration proposal for Canal Head North to ensure that existing jobs are maintained in the area. Gilkes remains to be convinced that the processes through which the Council is progressing will lead to an appropriate relocation that is economically viable but would, without prejudice to this overall view, put forward the following comments about the emerging proposals and options in the Ove Arup report.

On the assumption that a comprehensive redevelopment takes place, and that an appropriate relocation of the Gilkes' factory arises from the proposals, the company supports many of the objectives of the Council's vision for the Canal Head area of Kendal in Section 3.2 of the report as investment in the area to create a mix of uses, which include business, residential, specialist retail, food and drink, leisure and recreational facilities, is to be supported.

Much is made in the document of the range of uses and the linkages between the Canal Head North area and the town centre. Gilkes agrees that the development of this area should be integrated with the town centre and provide a significant contribution towards the

future wellbeing of Kendal. It is suggested that the Council includes the northern part of the study area within an extension to the town centre as per paragraphs 2.5 to 2.7 of PPS6.

In order to ensure that the mix of uses within any regeneration scheme is viable (and this is an area which the Options and Issues Report appears to have ignored), maximum flexibility should be allowed within the chosen option. In particular (see Objective D), it is considered to be too restrictive to seek to encourage what are regarded as 'local shops' at the expense of what may be shops that are operated by national multiples. If the Council is (rightly, in Gilkes' view) to be encouraging retail uses in the Canal Head North area, it should do so on an unrestricted basis, as this is likely to maximise the prospects of the regeneration proposal coming to fruition. A restriction to 'local shops' is highly unlikely to be practical or enforceable. The same comments would apply to the term "specialist retail uses" described in Objective F. It would be more encouraging to regeneration not to apply any restrictions such as this and to simply allow the market to dictate the area of retail uses that may be in demand in the Canal Head area. In a similar vein, Objective F to provide local or 'niche' retailing should also be reconsidered.

Gilkes is particularly concerned, however, about Objective L, which relates to the costs of relocating existing infrastructure. No mention at all is made of what measures are required (nor the cost) to facilitate the relocation of businesses such as Gilkes. The Council is aware, through discussions on the potential redevelopment of the Gilkes' site, about what the likely costs of building a new factory are. These need to be factored into any viability exercise that is carried out as part of the process to choose an appropriate option. Gilkes has explored (at length) the options available for the development of a new factory including a proposal for mixed use,

on-site redevelopment and the potential to build a new factory on the site on the edge of Kendal. Simply put, without a new factory being a viable proposition, Gilkes will not be able to move.

It is noted that (see below) there is an indication in Option 3 that Gilkes could be relocated on site and off site in Option 4. Whilst Gilkes does not object to either principle, it must be demonstrated to the company that it is viable to do so. At present, the company has not had any contact with the owners of the land within which Option 3 suggests it should be located to. The possibility of an 'off site' relocation in Option 4 has been found to be very difficult, given the company's considerable efforts to seek a suitable site over the last two years.

Furthermore, Gilkes has not yet carried out a viability exercise but it does appear from previous experience, that the likely value of uses that are being proposed in the various options in the Canal Head North Options Report would not (with the exception of significant retailing) be able to generate the value for the Gilkes' site that would enable relocation to take place. In this regard, the Options Report has not considered specifically the existing advice in PPG4 and the emerging advice in draft PPS4: "Planning for Sustainable Economic Development". This seeks to deliver sustainable development by promoting the regeneration of local areas to raise the productivity of the economy and job creation. A major existing job generator such as Gilkes must play a key role in the formulation of the chosen option for the Canal Head North area. It is also the case that PPS6, in paragraph 2.37, does regard major retail development to promote regeneration as being a legitimate strategy to pursue. This does not appear to have been given sufficient weight in the consideration of the relevant options.

Bearing these comments in mind, it is Gilkes' view that the Council's consideration of the Preferred Options for the Canal Head North site should do the following: -

1. Place as a priority the retention of jobs within Gilkes for the benefit of the local economy and the perception of Kendal worldwide.
2. Favour an option that ensures that a relocation/redevelopment of Gilkes is economically viable and deliverable. In this regard, Gilkes' strategy is simply to have a new factory available for its use. The company is not a property developer and is not seeking to make a 'developer's profit' from the process. It has always indicated it would be willing to discuss these matters in an open manner with the Council and such discussions took place in the context of earlier proposals for the redevelopment of its site.
3. Gilkes accepts paragraph 4.6.10 of the Options Report, which states that our client's current premises have to be vacated before any development can take place in the area. Thus, without a proper assessment of the viability of the various options from Gilkes' point of view, the Canal Head North development will not progress, hence Gilkes' doubts about the feasibility of the strategy at Day 1.

Dealing with the options that are put forward in the Ove Arup document, and bearing in mind Gilkes' concerns over the viability of its being able to move, the options that appear to have most merit are 3 and 5. The benefit of these options (particularly Option 5) is that they seek to include a significant amount of retail floor space in the Canal Head North area and to utilise the Gilkes' site for that purpose (see below). We have noted that the Council has had prepared for it in October 2007 a Retail Capacity Study by Martin Tonks. Whilst this appears to identify some retail capacity for the area, it concludes that this capacity is best met in Milnthorpe and Grange over Sands. We would disagree with the conclusions in that report and suggest that where the capacity does exist, given Kendal's role in the retail hierarchy, it should be located first and foremost in Kendal.

In addition, given our conclusions that the Canal Head North area should be proposed as an extension to the town centre, and for a scheme of regeneration, the concentration of retail floor space in Kendal could be seen to particularly accord with Government policy in PPS6. It would be a missed opportunity to locate any 'required' retail floor space in Milnthorpe and Grange over Sands. In this regard, Gilkes would favour a combination of Options 3 and 5, which would do the following: -

- a) Promote a large retail floor space user in the Canal Head North area utilising the Gilkes' site.
- b) Provide a location for a retail use closest to the town centre but with improved access for both pedestrians and vehicles to the town centre (see below).
- c) Provide a range of other uses – residential and commercial – that would also complement the town centre.
- d) Provide sufficient funds for Gilkes to relocate – either in the area shown in Option 3, subject to land specific evaluation and availability, or potentially off site.

Gilkes would suggest that the best option to pursue would be a combination of Options 3 and 5. This would involve a major retail outlet which could be comfortably located within the Canal Head North area (particularly on Gilkes' land) and be closely linked to the town centre in what is currently an edge-of-centre location under PPS6 guidelines. Gilkes could be relocated either off site or to the site identified in Option 3 (see below). Notwithstanding our comments that the area of Canal Head North should be included within the town centre, we would suggest that in the context of retail capacity existing, the Canal Head area would be an appropriate edge-of-centre location for retail use, especially where regeneration benefits arose, as paragraph 2.37 of PPS6 advises. In this regard, we note

that Section 5.6.6 of the report, dealing with Option 5, states that a retail development within the Canal Head area –

“... does not respond well throughout the appraisal process and consistently scores between poor and fair”.

However, in Section 5.10, the table indicates that Option 5 scores consistently between fair to good and in overall terms scores better than the Preferred Option 3. We do not agree with the analysis in 5.6.6, which appears to be inconsistent with the content of Section 5.10. It appears to us that a major retail use in the Canal Head North area on the Gilkes’ site would, subject to improved access, score very highly.

Dealing further with Gilkes’ preferred option, it will be noted that the company could be relocated into the area shown in Option 3, which would allow it to have 3,000 sq.m. of manufacturing and related office space. This site would have to be fully assessed by Gilkes in terms of its suitability and viability. If it is not appropriate, then an alternative site would have to be found elsewhere in Kendal. The company would seek further information from the Council about the detailed conditions on the Option 3 site and the terms for its redevelopment. However, in principle, the company is prepared to work with the Council to try to make this redevelopment option work.

On the basis that the company urges the Council to explore further a variation on Option 5, it is noted that one of the concerns expressed in the report is potential impact of redevelopment on traffic generation and existing highways infrastructure. Gilkes has instructed transport consultants to assess Appendix F of the report, the Junction Capacity Analysis, and the following initial conclusions have been arrived at. Firstly, it is considered that the trip rates used in the analysis underestimate the likely impact of development within Options 3 or 5. Thus, the effects of any redevelopment could be significantly higher than assumed. A combination of this underestimate, plus an assessment of traffic growth factors from Temprow and trip rates

from TRICS, suggest traffic flows from the development would be significantly higher than those predicted in the morning and evening peaks when compared to the analysis in the Action Area Plan.

With such increased figures, it is unlikely that the current highway infrastructure will cope with Preferred Option 3 (or 5) unless a more radical solution is found to the issue of traffic and transport. It is noted within the report that a new pedestrian bridge over the river is proposed. However, to help cope with the predicted increase in traffic numbers, we suggest that a more radical solution be investigated, which would include a second highway bridge over the river plus associated works. This would potentially help alleviate the bottleneck caused by the existing Miller Bridge, which cannot be substantially improved/altered, as it is a listed structure.

Gilkes appreciates that the construction of a new bridge and associated highway improvements would require major expenditure. When reviewing Section 10.9 of the report dealing with developer contributions, it is suggested that the cost of providing a new bridge could be met by such contributions. Government advice in relation to Section 106 contributions will be well known to the Council and it is clear that any such contributions would have to pass the tests in Circular 5/05 and, inter alia, be necessary for the development and reasonably related to it. In these circumstances, given the likely cost of such a bridge, the value of the overall development on the Canal Head North site and the traffic generated from it, should be at a scale and level that would justify the bridge in the first place. This, in Gilkes’ view, would add weight to the suggestion that a major form of retail use be considered in the Canal Head area as from the various Council documents and Government policies, the following conclusions could be made:-

- i. There is a case to justify the need for it (in part concluded by the Tonks’ report).
- ii. There would be justification for it in terms of achieving regeneration objectives (see PPS6).

iii. It could generate land values on the Gilkes' site that would make its relocation viable (either within the Canal Head North area or elsewhere).

iv. It could provide sufficient contributions to fund a new bridge and related access to the town centre.

v. It would allow the opportunity for the Council to redefine the town centre boundary and for a major retail use to act as an anchor to encourage other mixed uses (including local and specialist retailers) alongside the major retail use.

Summary

The Council will appreciate that it is Gilkes' sole objective to provide an appropriate new factory and related premises to enable its existing business to continue to be based in Kendal. The company has been in discussions with the Council for a number of years with that objective in mind and the possibilities of redevelopment on its existing site have not been abandoned. Similarly, it is recognised there are difficulties in providing an alternative site for a new factory elsewhere in Kendal at present. On this basis, the company is supportive of the regeneration objectives for the Canal Head North area so long as these can deliver the new premises the company seeks within a reasonable timeframe. Thus, the issues of viability and economics should be more central to the Council's considerations than they currently appear to be in the Ove Arup Report.

With these comments in mind, the company suggests that a variation on Option 5/Option 3 be pursued, which regards the potential of Canal Head North to be a formal extension of the town centre with retail uses prominent in the area but neither of a 'specialist' nor 'local' kind. The inclusion of a major retail use amongst a mix of other uses including residential and commercial may help to deliver a comprehensive improvement to the access arrangements in Kendal as a whole including a new bridge. The Council and its consultants must be prepared to be radical in their approach and

to look at a scheme that is deliverable from an economic point of view rather than simply a zoning plan with no prospect of coming to fruition. The company has had concerns for a considerable period that the exercises that have been carried out by the Council will not result in regeneration taking place, hence its decisions to proceed separately with its redevelopment proposals. If the Council does progress matters on the basis of Gilkes' suggested combination of options, there appears to be more chance of regeneration actually taking place to the benefit of Kendal. The benefit to Kendal would be signified by the retention of Gilkes in the area, maintaining jobs and the company's worldwide reputation.

We look forward to discussing these comments in more detail with the Council in the near future.

Yours faithfully
for Signet Planning

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