



South Lakeland Local Development Framework

Kendal Canal Head Area Action Plan

Preferred Options Report



APRIL 2008

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



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South Lakeland District
Council

**Kendal Canal Head
Area Action Plan**

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April 2008

Ove Arup & Partners Ltd
St James's Buildings,
Oxford Street,
Manchester M1 6EL
Tel +44 (0)161 228 2331 Fax +44 (0)161 236 1057
www.arup.com

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1 Introduction

1.1 What is the Kendal Canal Head Area Action Plan?

South Lakeland District Council (SLDC) is preparing an Area Action Plan (AAP) for the Canal Head area of Kendal. The AAP has been prepared in collaboration with British Waterways and the Project Delivery Group, which includes representatives from SLDC, Cumbria County Council, Cumbria Vision and others.

The Kendal Canal Head AAP will form part of the emerging Local Development Framework (LDF) for South Lakeland. As such, the AAP will be a formal Development Plan Document (DPD) and will set out statutory planning policy for the area.

The comprehensive restoration of Canal Head has the potential to bring about substantial economic and environmental improvement to Kendal. Overall, this AAP represents a significant opportunity to restore and manage the urban section of the canal and will potentially bring forward complementary development, including improvements to the Kendal riverside, linkages to the town centre and the town's Conservation Area.

1.2 What Area Does it Include?

South Lakeland District is predominantly rural, with a number of small towns and larger villages. Kendal town represents the main service centre of the District, and has a population of approximately 28,000. Other easily accessible settlements from Kendal include Ulverston in the far West of the District; Milnthorpe; Kirkby Lonsdale; and Grange-over-Sands. Other smaller towns within the South Lakeland District, the Lake District and Yorkshire Dales National Parks include Windermere, Ambleside and Sedbergh.

Kendal is a traditional market town situated between the Lake District and Yorkshire Dales National Park, and acts as the commercial and administrative centre for South Lakeland. Kendal also benefits from the close presence of the M6 motorway which can be accessed via junction 36 to the south of the town and junction 37 to the east of the town.

The town has a unique character and identity known as 'the Auld Grey Town' due to the predominant use of the local grey limestone. Although it sits outside the boundary of the national park, it is an intrinsic part of the Lake District brand and has recognised appeal as a home for out door adventure, culture and the arts, quality home grown products, and fine design and architecture.

The area of Kendal directly encapsulated within the AAP boundary is identified in Figure 1.1.

The AAP area comprises of a number of potential development sites in and around the Canal Head, with a number of sites adjoining the former alignment of the Northern Reaches of the Lancaster Canal; north of Change Bridge, Kendal.

However, in order to formulate effective proposals which meet the regeneration related objectives of the study it has been necessary to consider the wider context of Kendal town in much of the analysis and data collection. As a result of this, to avoid considering Kendal Canal Head in isolation, this AAP is being conducted having careful regard to the setting of the site in relation to:

- Kendal Castle and its surrounding historic landscape;
- the River Kent, which runs to the west of the former alignment of the Lancaster Canal in Kendal;
- Kendal Town Centre, located approximately one quarter of a mile from Canal Head to the west of the River Kent;
- The K Village outlet site on Lound Road; and
- Other surrounding uses such as residential, the Ski Club and commercial activities.

Figure 1.1: Area Action Plan Boundary and Character Area Locations

These have been identified as key components of the character of Kendal Town.

The AAP area has been divided into a number of sub-areas that exhibit similar characteristics and land uses within their discrete boundaries:

- **Kendal Canal Head:** This sub-area represents the core of the AAP area. It currently accommodates predominantly business/industrial land uses, with a small section of green space and existing residential properties in the northern section of the area.
- **Aynam:** This area currently accommodates a mix of uses including green space, parking, business/industrial and residential. The employment within this area includes engineering and business uses. Aynam also provides a mixed standard of accommodation including stone built mills (dating from the early 1900's) and several low quality industrial sheds.
- **Canal Head East:** Approximately two thirds of this area is used for green/community space, with the remaining proportion being a mix of car parking and residential properties. This area offers excellent views and vistas out to the east of Kendal to designated areas of open space and Kendal Castle.
- **Fletcher Square:** This sub-area is a pleasant, partly wooded, garden area, and includes a substantial area of local allotments.
- **Parkside Road North:** This section of the AAP area predominantly accommodates residential properties. Kendal's current residential vernacular adheres to simple massing, providing two and three storey accommodation which feature strong gables; refined dormers, decorated porches, curved bay windows; decorated timber work; ironwork and decorative ridge tiles, to create a varied and distinctive townscape.
- **Change Bridge:** The southern section of the AAP area offers the greatest variation in current land use. Located in this area is North West Electricity Networks Limited's depot, which straddles either side of Parkside Road. In sharp contrast to this is the residential area which is located to the west of the depot. Here the housing typology is typically high density terraced residential properties.

1.3 Why has an Area Action Plan been prepared for Kendal Canal Head?

The brief requested that the consultant team advise upon the preferred planning mechanism required to deliver the proposed changes at Kendal Canal Head, as without some form of planning policy backing, a non-statutory masterplan on its own may not deliver the certainty and robustness required by South Lakeland District Council as well as the wider the Project Development Group (PDG). Following a review of a number of potential approaches it was decided that an Area Action Plan (AAP) for Kendal Canal Head should be progressed as there was no current specific policy or guidance for this area of Kendal.

According to Government policy, as set out in Planning Policy Statement 12 (PPS12), AAPs should be used to provide the planning framework for areas where significant change or conservation is needed, with a key feature distinguishing the process from past policy documents being the focus on implementation. They should:

- Deliver planned growth areas;
- Stimulate regeneration;
- Protect areas particularly sensitive to change;
- Resolve conflicting objectives in areas subject to development pressures; or
- Focus the delivery area-based regeneration initiatives.

Consequently, given the need to deliver high quality development in the Canal Head Area within the context of an established Conservation Area, it was decided that an Area Action Plan would be the most appropriate way forward.

1.4 How is an Area Action Plan Prepared?

Specific guidance regarding the preparation Area Action Plan is set out in Planning Policy Statement 12 and its accompanying guidance document. PPS12 can be viewed at:

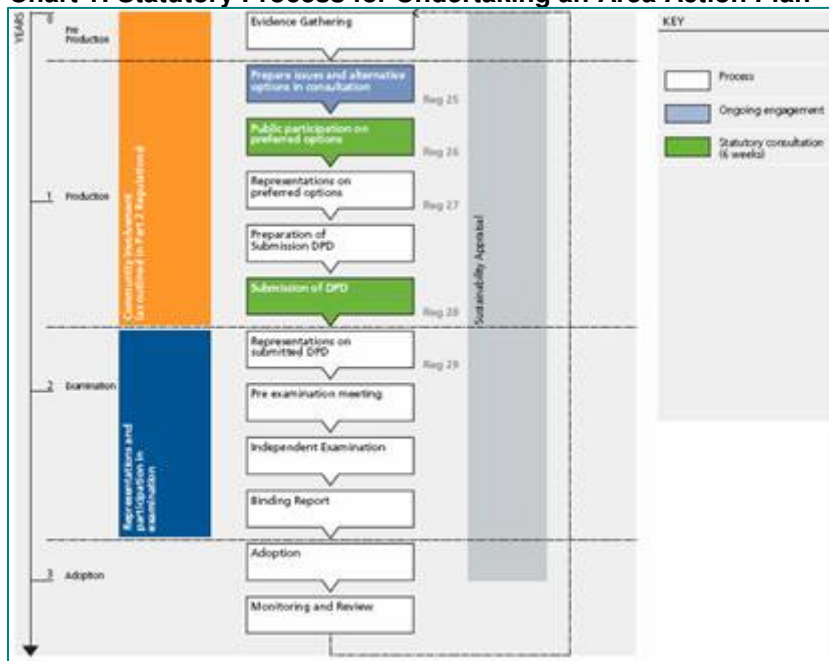
<http://www.communities.gov.uk/publications/planningandbuilding/planningpolicystatement4>

and the companion guide can be viewed at:

<http://www.communities.gov.uk/publications/planningandbuilding/creatinglocaldevelopment>

The processes involved in the production of an Area Action Plan can be seen in Chart 1 below.

Chart 1: Statutory Process for Undertaking an Area Action Plan



Source ODPM (2004): PPS12: Local Development Frameworks

In summary, the preparation of an AAP must, as a minimum, correspond with the following stages:

- Evidence Gathering;
- Prepare issues and alternative options in consultation;
- Public participation on preferred options;
- Representations on preferred options;
- Preparation of submission AAP;
- Submission of AAP.

To date, the first two stages of this process have been completed. This report is part of the third stage: Preferred Options. The earlier Baseline Report set out the findings of the Evidence Gathering phase of the plan preparation, whilst the earlier Issues and Options Report detailed alternative scenarios for the future of this area of Kendal. These documents have been published and are available on South Lakeland District Council's website.

In summer 2007, local residents and stakeholders were consulted on the Issues and Options Report, in accordance with the Statement of Community Involvement requirements. This included letters of notification and copies to statutory stakeholders, posting the document on the Council's website and placing copies in key locations. In addition a workshop event was held in Kendal in July 2007. The responses to the consultation exercise were summarised in a Consultation Responses Paper and made available via the

Council's website. The Consultation Responses Paper has also been appended to this document (Appendix E).

A separate Sustainability Appraisal and an Appropriate Assessment have been undertaken on the distinct stages of the work undertaken to date, and those findings have informed the development of the Preferred Option.

The Sustainability Appraisal has been completed in parallel to, but remains an integral part of, the preparation of the AAP.

An Appropriate Assessment was also undertaken to inform the preparation of the Preferred Options report to ensure that the Preferred Option meets the requirements of the Habitats Regulations for Appropriate Assessment. Guidance states that the effects considered should be those of the plan or project, either alone or in combination with other plans or projects, on the habitats and species of international importance (notably the River Kent which is in a Site of Special Scientific Interest and candidate Special Area of Conservation) and how those effects are likely to affect the integrity of the site in the light of its conservation objectives.

1.5 What is the Preferred Options Report?

South Lakeland District Council has taken into consideration the comments raised during consultation and produced a set of Principles, which have ultimately informed the derivation of a series of 'Preferred Options', which it proposes to take forward in the AAP.

The purpose of this report is to describe the 'Preferred Options', so that local residents, retailers and other businesses, community organisations and other stakeholders can understand the objectives and implications of the AAP.

A Preferred Option Base Scenario and a series of Variations have been proposed. These constitute the Preferred Options.

A statutory six week consultation period on the Preferred Options will take place. This is in line with the Council's commitment to consultation, as set out in the Statement of Community Involvement (SCI) and the requirements of the Town and Country Planning (Local Development) (England) Regulations 2004.

1.6 How to have your say on the Preferred Options Report

The aim of a formal public consultation process at the Preferred Options stage is to ensure that the local community are given the opportunity to comment on how the local planning authority is approaching the preparation of the AAP.

South Lakeland District Council is committed to involving the community throughout the preparation of such Development Plan Documents as it is anticipated that this involvement would mean that the needs and aspirations of the local community are met.

As noted in Section 1.5, a statutory six week consultation period on the Preferred Option report will take place. This is in line with the Council's commitment to consultation, as set out in the Statement of Community Involvement and the requirements of the Town and Country Planning (Local Development) (England) Regulations 2004. The Preferred Options report and the accompanying Sustainability report can be viewed and commented on via the Council's website at www.southlakeland.gov.uk/ldf.

These and related documents can also be inspected at South Lakeland House, Kendal; Ulverston Town Hall; and at the libraries at Arncliffe, Grange over Sands, Kendal, Kirkby Lonsdale, Milnthorpe, and Ulverston during normal opening hours.

We would encourage people to send their comments electronically, preferably by completing the on-line response at www.southlakeland.gov.uk/ldf/consultation/login.aspx or by completing the Word version of the response form and emailing it to us at the email

address below. You may also complete a paper copy of the response form and return it to the Council at the address below. We would also accept comments made by letter.

When making your comments, please could you consider the “soundness of the plan” since the independent examination of the Area Action Plan (submission version) will focus on this rather than individual objections.

Comments are requested back by no later than 5pm on Friday 30 May 2008. Please send your comments to:

Miss Rea Psillidou

Development Plans Manager

South Lakeland District Council

South Lakeland House

Lowther Street

Kendal

LA9 4DL

developmentplans@southlakeland.gov.uk

www.southlakeland.gov.uk/ldf

For other queries please telephone - 01539 717490

All representations will be made available electronically via the Council's website, including at libraries. Summaries of the representations and responses will be published in due course with the submission documents.

1.7 Next Steps

Following Public Participation on the Preferred Options report, all representations which are made will be fully taken into consideration by South Lakeland District Council before preparing the AAP for submission to the Secretary of State. It is anticipated that a AAP will be prepared for submission in January 2009.

At the submission stage there will be a third and final opportunity to make representations. These will be the subject of independent examination by an inspector who will take them into account in assessing if the document meets the tests of soundness in Planning Policy Statement 12 – see Glossary.

2 Key Issues for Kendal Canal Head

2.1 Introduction

The following sections provide a summary of the key issues that were identified in the Baseline Report, additional issues which have arisen as a result of the consultation process on the Issues and Options report and some additional information that has become available since the Baseline work was undertaken, including a number of research studies by SLDC.

2.2 Housing

- Current government policy with regards to housing promotes more sustainable patterns of development, making better use of previously-developed land, with the focus for additional housing in towns and cities in the first instance.
- National policy emphasises that 60% of additional housing should be provided on brownfield land with housing densities of not less than 30 dwellings per hectare. The Cumbria Structure Plan, however, seeks 50% of housing developments on brownfield land.
- Regarding allocated and proposed housing sites, the South Lakeland Local Plan requires that some housing should be provided to meet proven local needs, the proportion to be agreed through negotiation. RSS sets out the need for affordable housing in this area. The Cumbria Structure Plan seeks 50% affordable and 50% local occupancy on developments of 10 or more dwellings. The Council's Interim Planning Approach to Housing (IPATH document March 2007) sets out more detailed affordable housing requirements, including 50% or more affordable houses in the east of the district, except where there is evidence that this would be unviable.
- Current policy for the eastern part of the South Lakeland District, that just 195 dwellings on average can be developed each year up to 2016.
- The residential market in Kendal is strong and as a consequence house prices are high. The policies set out in IPATH will seek to re adjust expectations about land values in order to deliver the necessary affordable units, however, IPATH will be monitored by SLDC to understand the impacts on the number of developments coming forward.
- Existing permissions (including those subject to S106 agreements) for sites with more than 10 dwellings which are under construction and/or likely to be developed by 2011/12 totals 516 units, of which 147 would be affordable dwellings.
- Proposed housing needs to meet the needs as set out in the 2006 Housing Needs Survey, including recognising the needs of the ageing local population.

2.3 Retail

- Retail development policy is such that it favours proposals for new shops in suitable locations, where there is an intention to serve existing communities or new housing areas. This is further supported by the recent SLDC Retail Study (2007), details of which are provided in Section 4.
- Furthermore, proposals for new, large scale, retail development outside Kendal town centre will not be allowed under the policy unless there is evidence that development would not have an adverse effect on the vitality and viability of Kendal town centre. The Local Plan alteration states that the demand for convenience shopping floor space in Kendal has largely been satisfied.
- According to the recent Retail Assessment for South Lakeland District, any quantitative need for convenience goods could be directed in and around Kendal town centre and / or used to support small local convenience store(s) in association with new residential

development. However, this would not justify a third superstore in Kendal. Further details of the 2007 Retail Study are provided in Section 4 as this superseded the previous baseline work.

- Kendal has an estimated town centre retail floor space of approximately 58,046m² (Goad February 2004) which includes 4,822 sq m occupied by Class A3 (restaurants, cafes and fast food operations). A further 1,524 sq m is occupied by hairdressing/health and beauty outlets. There is a cinema at the Brewery and a number of fitness centres.
- The vacancy rates for shops is generally below the Great Britain average and in February 2004 (Goad) 3.94% of space in the town centre was vacant against a national average of 7.88%.
- Rental values in Kendal have not seen significant growth in the past five years and prime Zone A is £70-75 per sq ft. Rents in the retail parks are £13 - £15 per sq ft. It is considered there is a demand for edge of town retail spaces with a number of major national retailers having requirements.
- The desirability of creating a mix use scheme needs to be sufficiently recognised in development proposals
- In terms of the quantitative need for new comparison goods floorspace in Kendal, there was no need to identify new sites in the LDF before 2011.
- It is important that Kendal Town Centre improves its comparison goods offer to retain its market share due to improvements in surrounding centres including Lancaster and Penrith.

2.4 Employment

- Unemployment in the Super Output Areas which cover the Area Action Plan area was found to be significantly less than the regional and national levels at 3.63% and 3.35% respectively. In contrast, South Lakeland has lower levels of unemployment at 1.99%.
- Kendal Canal Head has a significantly low number of economically active people working in the top three categories of managers and senior officials; professional and technical occupations, compared to national levels. Those involved in skilled trades in Kendal Canal Head account for 14.07% of the workforce, compared to 11.64% nationally.
- The South Lakeland Sustainability Appraisal Scoping Report shows that South Lakeland is over represented in distribution, retailing, hotel and catering industries compared to the national average. Banking, finance and insurance services are less than the national average at 10% compared to 20% in England and Wales.
- The areas of strong economic performance compared to national levels include, wholesale, retail trade and repair of motor vehicles. The manufacturing sector employs 16.04% of the area's employment against 13.91% for South Lakeland. In addition, the Construction sector accounts for 8.19% around Kendal Canal Head compared to 7.31% in South Lakeland.
- Draft RSS Policy CNL1 states that major development in Cumbria should be focused in Barrow, Carlisle and West Cumbria with moderate levels of development in key service centres, including Kendal.
- The recent NWDA study states that the Kendal area offers the best opportunity for the development of the knowledge based industries due to its excellent road and rail connections, and potential for collaboration with Lancaster University. The study states that a supportive policy context could facilitate strategic employment land allocation in the Kendal area to attract high value knowledge based employment and offset future employment losses in Furness and West Cumbria. Canal Head is identified as one

potential site within this study. The RSS EiP Panel Report acknowledged this potential role for Kendal but clarified that the scope for knowledge-based development in Kendal is not as great as the regional cities of Carlisle and Lancaster.

- The Economic Development Strategy for South Lakeland identified the serious continuing loss of high-grade, professional /commercial employment coupled with low wage, low skilled economy; as an issue which needed addressing. The Stage 1 report of the Lake District Economic Futures Study states that the challenge of the Lake District is to sustain existing employment and where possible extend GVA and skills levels.
- The Community Strategy for South Lakeland (2004-2024) identifies the need to focus on the tourism sector in South Lakeland as a key sector to deliver employment opportunities and economic growth.
- Kendal is identified as an employment zone for Lake District residents. Kendal is seen as an employment opportunity area primarily due to its relatively good communications links, including the M6 motorway and West Coast Mainline..

2.5 Funding

- The Lancaster Canal Northern Reaches is identified in British Waterways' 2004 document 'Waterways 2025', alongside ten other projects as part of their Priority One restoration projects. Priority One projects are those which British Waterways will concentrate their resources on helping to develop. There is also the possibility of obtaining funding from the RDA, and newly established Rural Enterprise Zone offering scope for further funding.
- In the Inland Waterways Amenity Advisory Council's publication 'Restoration and Development Priorities', the Northern Reaches is identified as being of national significance. It is given 'priority funding' status and, following the opening of the Ribble Link, has the potential for 'major enhancement for south Cumbria tourism and rural regeneration'.
- In terms of housing the North West Regional Housing Strategy (2005) identified West Cumbria and parts of Furness as having unbalanced and low demand housing markets. Recognised by the Government, the area was awarded Housing Market Renewal funding in 2005. Kendal is located outside this area and housing developments in Kendal are unlikely to have a significant impact on these neighbouring housing markets.
- Sustainable Cumbria 2004-2024 recognises the need to address the lack of affordable housing in the South and East of the sub-region. The strategy hopes for new approaches to remedy the lack of affordable housing. In particular, it suggests addressing existing funding rules and planning guidance to provide solutions to the lack of affordable housing and market failure.

2.6 Environment

- PPS9 sets out the government's policies with regard to the protection of biodiversity and geological conservation. PPS9 states that Local Authorities should take an integrated approach to planning for biodiversity and geo-diversity when preparing local development documents. They should ensure that policies in local development documents reflect, and are consistent with, national, regional and local biodiversity priorities and objectives (including those agreed by local biodiversity partnerships).
- PPS9 further states that development proposals also provide many opportunities for building beneficial biodiversity or geological features as part of good design. Consequently, when considering proposals, local planning authorities should maximise such opportunities in and around developments, using planning obligations where appropriate.

- The most significant areas of biodiversity are associated within the neighbouring River Kent, albeit outside the AAP area. In addition, the creation of the canal could lead to the creation of new priority habitats which is in line with regional targets towards sustainability.
- Furthermore, it is recognised that the redevelopment of a number of sites in and around Canal Head represent an excellent opportunity to regenerate brownfield sites and meet the Council's targets to secure development on brownfield, rather than greenfield, land.
- As a result of the environmental scoping undertaken for this baseline assessment it was found that:
 - Borehole records held by South Lakeland District Council have been reviewed and initial ground investigation pertinent to the proposed re-opening of the canal and associated land development have been undertaken by British Waterways.
 - Discussions should be undertaken with the Council to determine the scope of further site investigation and the monitoring of ground gases which is required. Quantitative contamination risk assessments should be undertaken on receipt of chemical testing results from the site investigation to ascertain the potential risk to environmental receptors and to humans.
 - The habitats present within the site area are considered to be of low value for nature conservation terms but do offer a resource in terms of biodiversity. A more detailed study of the habitats present within the study area should be undertaken to determine their suitability to support protected species.
- There are on-going discussions with Environment Agency regarding a separate Appropriate Assessment to ensure the proposals would not adversely impact on water quality and the biodiversity of the River Kent

2.7 Design

- PPG 15 advises on government policies for the identification and protection of historic buildings, conservation areas, and other elements of the historic environment.
- The policy guidance observes that although choices sometimes have to be made; conservation and sustainable economic growth are complementary objectives and should not generally be seen in opposition to one another.
- Extensive areas in the centre of Kendal are designated as a Conservation Area in recognition of the quality of its buildings of special architectural and historical interest. It is important to consider the effect of any proposed development within or affecting a Conservation Area, to ensure that the character and appearance of the area is protected or enhanced. SLDC have expanded the current conservation area to include the whole of the Canal Head area.
- Within Conservation Areas, priority will be given to the preservation and enhancement of the character or appearance of the special architectural and historic interest of the Area. Development proposals will be required to indicate clearly how they will preserve or enhance the character or appearance of the Area. Development proposals including changes of use in respect of buildings or land within, or outside but affecting, a Conservation Area, will be considered in relation to their effect on the character or appearance of the Conservation Area as a whole, or any part of the designated area. The Council's aspirations are for high quality design at Canal Head, including high quality contemporary design.

- The policies and proposals in this section seek to preserve and enhance the District's historic environment. The Council will use this framework of Local Plan policies to further the Council's economic objectives, by using the repair of historic buildings, features and areas as a basis for the economic regeneration of towns and communities - particularly Ulverston, Grange-over-Sands and Kendal.

2.8 Transport

- The objectives of government transport policy are to integrate planning and transport at national, regional, strategic and local level and to promote more sustainable transport choices both for carrying people and for moving freight. It also aims to promote accessibility to jobs, shopping, leisure facilities and services by public transport, and encourage walking and cycling to reduce the need to travel, especially by car.
- Under the Draft North West Regional Spatial Strategy Policy CNL1, the overall spatial strategy for Cumbria advises that plans and strategies covering Kendal should give priority to improving access by cycle, foot and public transport to employment and other uses.
- The route of the reinstated canal currently provides a high-quality, well-used cycle and pedestrian provision for the town centre. The proposed renovated canal would include an equivalent or better provision for cyclists and pedestrians through the use of the towpath, which will be 2.5m wide for the majority of the route.
- Some minor diversions to cycle routes and footpaths may be required to utilise the reinstated canal crossing points. In particular, National Cycle Route N6 may need to be diverted to use Parr Street for a short section to cross the canal. There are also a number of minor footpaths that would be blocked by the canal that would need either diverting or stopping up.
- A major issue is the connectivity between the canal route, the town centre and the wider cycle and pedestrian routes. In particular connecting the development to the town centre is a key aim in achieving good cycle accessibility for the site and also for promoting cycle use in Kendal and beyond.
- The development needs good links to public transport services and stations. Kendal Rail and Bus Stations are located close to the northern end of the development. However, these stations are predominantly used by local services (although National Express coaches use the bus station). Connection to the wider regional and national public transport networks is facilitated at Oxenholme Station although this is some way from the site. Therefore measures to facilitate connection to and from Oxenholme Station would significantly increase the catchment of the development. The relatively sustainable location of Canal Head provides opportunities for innovative travel planning policies and proposals.
- The interaction between existing traffic in the town centre and traffic generated by the development is a key issue. If traffic generated by the development were unduly delayed by existing town centre traffic the attractiveness of the development to visitors would be reduced. However, the introduction of the development and the associated traffic should not exacerbate the existing traffic issues of congestion and delay experienced in the town centre. In addition, the long-term goal of a traffic-free town centre should be borne in mind.
- Studies associated with the Kendal Transport Plan have concluded that park and ride sites on the periphery of the town centre are not practical at present and there are existing parking issues in the town centre that restrict the vitality of the town.
- The one-way system intensifies the need to locate the parking in the correct place. Poor location of the car parking could result in significant numbers of vehicles having to negotiate the one-way system resulting in delays to visitors to the development as well

as existing town centre traffic. Car parking could be provided in a single location along the route or could be split into a number of smaller car parks. The distance from the car park(s) to various points along the route and the town centre must be considered to ensure that visitors are encouraged to walk along and within the development and to walk between the development and the wider town centre.

- A major issue relating to the highway network is the intersection of the canal with Parkside Road. The two alternative options both have potentially significant impacts upon the surrounding network. A lifting bridge has the potential to disrupt traffic flows in and around the town centre (although the effects can be minimised through restrictions on use of the bridge) while an overbridge would exacerbate access issues from Parkside Road and could effectively restrict access to a large amount of land.
- A number of third party access issues exist along the Parkside Road. It will be important to resolve these issues to the satisfaction of all parties. In particular, access between the segregated North West Electricity Networks Limited site presents particular difficulties.

2.9 Community

- The new planning system recognises the role the community plays in ensuring the sustainability of development projects. One of the key aims of the new planning system is to strengthen community and stakeholder involvement in the development of local communities.
- There is considerable emphasis on community engagement in the new plan making process as outlined in PPS12, which has initiated the development of Statements of Community Involvement (SCIs). The SCI sets out the mechanisms to be employed by the Council to engage with people in the preparation of planning policies, including methods for obtaining and spreading information, and the feedback process to the community.
- South Lakeland District Council has ensured that it involves the widest possible range of interested parties in particular addressing hard to reach groups who do not normally participate in planning and identifying the possible need for different approaches to ensure involvement.
- The South Lakeland Community Strategy is a document which aims to improve the economic, social and environmental well being of the district by providing a number of local detailed policies in a community focused, sustainable 'vision'. It aims to establish more effective community involvement and put local people at the heart of the strategy, by identifying their needs, and ambitions. It aims to do this by providing a shared set of visions for the future. Key policies relevant to Kendal Canal Head Area Action Plan include:
 - Job, Skills and Regeneration Policy 4 – To focus on the tourism sector in South Lakeland as a key sector to deliver employment opportunities and economic growth.
 - Affordable Housing Policy 2 – To release land/buildings for affordable housing and increase funding for such housing developments.
 - Quality Environment Policies 1 & 2 – To conserve, enhance and promote the natural heritage and built environment and recognise the environment as an essential factor in the local economy.

2.10 Recreation

- PPG 17 describes the role of the planning system in assessing opportunities and the need for sport and recreation provision and safeguarding open space which has recreational value. The policy guidance identifies that through the preparation of the

development plans, it must be ensured that there is adequate land and water resources allocated for organised sport and informal recreation.

- Local authorities are advised to take into account the community need for recreational space and have a regard to current levels of provisions and deficiencies. Local authorities must also resist pressures for development of open space which conflict with the wider public interest.
- The South Lakeland Parks and Open Spaces Service Strategy 2004 – 2009 focuses on maximising the quality and potential of the parks and open space and bring forward key priorities from SLDC Community Plan 2004 – 2024, the Cultural Strategy 2004 and local initiatives.
- Objectives for Parks and Open Spaces are to maintain and develop them as:
 - Welcoming;
 - Healthy, safe and secure;
 - Clean and well maintained;
 - Applying sustainability (such as the practise of energy conservation, pollution reduction, waste recycling and resource conservation adopted);
 - Conserving Natural and Cultural Heritage;
 - Getting the community involved; and
 - Marketing and promoting facilities.
- The proposals in the forthcoming South Lakeland Open Space Strategy will need to be considered in the AAP.

2.11 Infrastructure Constraints

Based on a review of the existing utility infrastructure along the canal alignment and within the Area Action Plan area, a number of existing utility constraints are identified and discussed in full in Appendix D. This review was undertaken following the Issues and Options stage. This section considers constraints posed by the existing infrastructure and by potential supply of utility services to the new development area. The observations relate to key infrastructure beyond that normally expected of a developed urban site:

- The canal area has already been significantly developed and as such has a reasonable distribution of existing utility services.
- There is an existing Gas Valve station off Parr Street. This valve station is sited on a strategic National Grid trunk main route. Intermediate and high pressure gas mains run along both the historic canal alignment and Lound Road.
- There is an existing primary sub-station off Lound Road. Associated High Voltage cables from this sub station run to the north east along Parkside Road, and to the north along the canal alignment to the west side of the allotments.
- Telewest fibre optic cables are also located along the historic canal alignment, and along Little Aynam.
- United Utilities have confirmed that the demand on the primary electricity network in Kendal is just below its maximum capacity with around 1MVA available. It is thought that incremental load growth over the next few years would see this reduced further. Outline plans are in place to undertake 33kV reinforcement around 2014; however this would be brought forward if further connection applications exceeded current primary capacity. An approximate programme to implement such reinforcement would be in the region of 18 months, depending on lead times for major items of plant. United Utilities have advised us that, based on a development capacity of 3.5MVA, the development would be expected to make contribution towards any reinforcement costs in the region of £100k.

- United Utilities confirm that there is sufficient existing capacity within the water network, as improvement works have already begun on the supply infrastructure. A new water main is proposed to run under Aynam Road. This is intended to supply properties to the west side of the River Kent only. While it is unlikely that the development area will need to be supplied by this main, it should be considered as a constraint in terms of existing utilities.
- Ground water abstraction is a potential alternative to supply from Thirlmere, however ground water in the area is believed to be of poor quality and there is an existing desire to phase out existing boreholes in favour of alternative supply.
- The existing site is reasonably well served for drainage, with opportunities to discharge to the ground, the River Kent and the existing sewerage network. Sustainable Urban Drainage Systems and discharge to local watercourses should be considered where appropriate to reduce demand on the existing sewerage network. The site is not located within an existing Environment Agency Source Protection Zone. It should be noted that surface water drainage for new sites, whether being discharged to watercourses controlled by the EA, or sewers owned by United Utilities, will probably require attenuation to equivalent green field run off rates.
- A large portion of the development area is located within the flood plain. This may pose a constraint to development. It also poses a constraint in terms of site drainage capacity during adverse weather conditions. Further discussion with the Environment Agency will be required to understand the constraints in detail and to assess what impact this may have on the development proposals. The extent of the flood risk can be seen in Figure 4.1.

2.12 Further Consultation

A review of the emerging Preferred Option with SLDC's Community Services Overview and Scrutiny Committee on 28th September 2007 identified 14 main issues. Of the issues raised, the five that were identified by the Scrutiny Committee as being of particular importance are (in order of prominence):

- **Transport** – The potential impact of the development stemming from the AAP will be carefully considered in conjunction with Cumbria County Council. Appropriate mitigation measures, other than purely 'engineered' solutions, will be used to deal with this issue. With this in mind the AAP will consider positive measures to solve the potential problems associated with any additional traffic levels. The need to positively mitigate the potential traffic impact of the development stemming from the AAP will be carefully considered;
- **Town Centre Uses** – Officers raised the need to limit retail and other town centre uses within the AAP area to ensure that the vitality and viability of the existing town centre uses are not affected. However, the potential incorporation of a supermarket in the Canal Head area was highlighted as part of the consultation process and will be assessed as a potential option.
- **Open Space Infrastructure** – The potential loss of some or all of the existing allotments to the east of the proposed alignment of the restored Northern Reaches was raised as a key concern amongst consultees. If the loss of the allotment sites was to be taken forward as part of the final AAP, there would need to be a robust justification of the loss of the allotments on the basis of the wider community and regenerative benefits that could arise from the capital sale of the land, whilst opportunities to provide alternative sites would also need to be explored. The issue of constructing on land currently earmarked for the expansion of the adjacent cemetery site would also need to be explored.

- **Affordable Housing** – The provision of a range of affordable housing in Kendal Canal Head is of great importance to the Council. At present the Interim Policy on Affordable Housing (IPATH) requires all residential development in the District to be 100% local occupancy with 50% affordable. The Council recognises that the provision of residential development at this level may be prejudicial to the implementation of the potential development. Should it be demonstrated that this is the case the Council will be prepared to consider a reduced percentage of affordable housing in order to secure a realistic attractive development opportunity which delivers a range of community benefits.
- **Deliverability** – In order to test the viability and deliverability of the range of development proposed, financial modelling for the AAP has been applied to the Preferred Options to produce a realistic picture of what may be deliverable in the AAP area. Section 8 and Appendix A set out the detailed commercial appraisal of the Preferred Options. In addition four spatial Variations and a fifth Variation, looking at a different affordable housing mix have also been modelled. The financial performance of the Preferred Options and the Variations are set out.

The above matters have been considered and incorporated into the Overarching Strategy and Development Proposals as outlined in Section 6.

3 Vision and Objectives for Kendal Canal Head

3.1 Introduction

The AAP will be developed on the agreed Strategic Objectives. It is therefore important to the success of the AAP that the Strategic Objectives for the future of Kendal Canal Head are widely shared and to that end, these draft proposals will be the subject of debate and consultation during the next phase of the development of the AAP.

Based upon the issues arising from the baseline work and subsequent issues and options work and consultation, the following vision has been developed for the Kendal Canal Head.

3.2 Vision

The Preferred Vision has been developed following consultation on the draft vision and proposals in the Issues and Options Report. It should be noted that the Vision has been slightly modified given the responses to the consultation on the Issues and Options Report.

The Preferred Options described in this report have been developed on the basis of this overall strategic Vision for Kendal Canal Head.

The Preferred Vision for Canal Head is:

- *A vibrant destination unique to Kendal. A fusion of business, residential, specialist retail, food and drink and leisure and recreational uses, at the heart of which is the historic terminus of the Northern Reaches of the Lancaster Canal. A well integrated part of Kendal where heritage embraces sustainable development, contributing significantly to the future development of the Town.*

The Area Action Plan delivers a high quality spatial development and regeneration framework to deliver the vision. It enables sustainable economic growth and environmental enhancement. It ensures both linkage and complementary development to the Town Centre, K Village and the Cultural Quarter.

3.3 Objectives

The preferred strategic objectives for the future development of Kendal Canal Head build upon this vision, and have also been amended in light of comments made through consultation on the Issues and Options Report:

- A. To improve opportunity and choice in the local housing market by housing type and tenure.
- B. To protect the existing, and provide a high quality natural and built local environment, including open spaces and public realm.
- C. To achieve greater integration with the town as a whole and key facilities such as public transport, shops, community facilities and employment opportunities, particularly those in adjoining areas.
- D. To encourage the provision of high quality local shops and community facilities that complement and reinforce but do not compete with the town centre.
- E. To facilitate efficient movement through and within the area via a range of means of transport and a well-connected and legible network of footpaths, cycleways, public realm and streets, with a clear road hierarchy reflecting the role of each road, paths and public realm.
- F. To diversify the town's offer through the provision of a unique canal based quarter with a vibrant mix of uses which encourage economic activity, including tourism, recreation, business and specialist retail use.

- G. To provide opportunities for an appropriate range of high quality employment opportunities within the site, including professional and technical occupations, whilst respecting the ongoing requirement of existing industrial and commercial activity in and around the site.
- H. To protect and enhance historic buildings in the study area and the Conservation Areas.
- I. To maximise the opportunity to develop brownfield land and to ensure that new development meets wider planning and regeneration objectives.
- J. To provide an appropriate level of car parking to serve the development.
- K. To consider the value of the proposed development in terms of its potential to be a potential source of private sector investment to fund the restoration of the Northern Reaches of the Lancaster Canal.
- L. To consider the location of existing utilities infrastructure in the future redevelopment and regeneration of Canal Head and to ensure that the potential costs of relocating infrastructure are considered when assessing the viability of Area Action Plan options.
- M. To respect the environmental constraints to development and seek to mitigate impacts where appropriate.

A cross cutting objective is to ensure that consultees and the wide community have an opportunity to influence the development of the Kendal Canal Head Area Action Plan through involvement at key consultation stages throughout the project

4 Policy Context

4.1 Introduction

This section has been completed in accordance with the Planning Advisory Service (PAS) Toolkit. It describes how these policy and strategy documents have been considered in development the Preferred Option.

The key planning policy documents for consideration in this study comprise of Planning Policy Statements (PPS) at a national level, which are gradually replacing Planning Policy Guidance (PPG) Notes; Regional Spatial Strategies at regional level; the Structure Plan at sub-regional level; and Local Development Documents at district level. In addition there are a range of non-planning regional and local strategy documents that have been considered in preparing this Preferred Option. These include the County and Local Community Strategies, and the Kendal Economic Regeneration Action Plan.

Full summaries of the key policy and strategy implications for the Kendal Canal Head AAP arising from these documents can be found in Section 2 of the Baseline report.

4.2 National Planning Policy

4.2.1 Introduction

Summaries of how the Preferred Option adheres to key national planning documents are reviewed below:

- **PPS1 Creating Sustainable Communities (2005):** PPS1 outlines the Government's views on planning policies on delivering sustainable development through the planning system. Sustainable development is also identified as being one of the core principles in national policy and is a key consideration in the AAP.
- **PPS3 Housing (2006):** PPS3 states that 60% of all new housing should be built on brownfield sites, with an indicative national minimum of 30 dwellings per hectare. The Preferred Option for Kendal is in accordance with these standards with all residential development constructed at densities greater than 30 dwellings per hectare, with over 60% of new houses built on brownfield sites. In addition to this, extensive work has been done to ensure that the correct mix of housing type, tenure and price is developed for the Preferred Option to meet the current need for housing, with 30% of all new dwellings comprising of affordable housing.
- **PPS6 Planning for Town Centres (2005):** PPS6 requires that retail growth should be accommodated by more efficient use of land and buildings within existing centres. Any new developments proposed for Kendal Canal Head should therefore complement rather than compete with the existing Town Centre. The Preferred Options propose niche retail, food and drink and leisure uses that provide something unique and new to Kendal, in a new canal quarter, rather than new developments that could directly compete with the town centre, and as such provide a new destination and a new complementary offer for the town.
- **PPS7 Sustainable Development in Rural Areas (2004):** Key objectives inherent in PPS7 include:
 - Raising the quality of life and the environment in rural areas through the promotion of: thriving, inclusive and sustainable rural communities, ensuring people have decent places to live by improving the quality and sustainability of local environments and neighbourhoods;
 - sustainable economic growth and diversification;
 - good quality, sustainable development that respects and, where possible, enhances local distinctiveness and the intrinsic qualities of the countryside; and

- continued protection of the open countryside for the benefit of all, with the highest level of protection for our most valued landscapes and environmental resources.
- By offering a wide mix of housing and other uses within the AAP area, it is anticipated that the quality of life and the environment of the wider area, including the rural hinterland nearby, will be improved, both socially and economically. This would be particularly relevant if the development of the Canal Head area stimulates the full restoration of the canal, which would extend through the countryside and passes through a number of smaller villages and hamlets.
- **PPS9 Biodiversity and Geological Conservation (2005):** PPS9 sets out the Government's policies with regard to the protection of biodiversity and geological conservation through the planning system. Key policies influencing the AAP involved the promotion of sustainable development by ensuring that biological and geological diversity are conserved and enhanced as an integral part of social, environmental, and economic development; and the need for the scheme to contribute to rural renewal and urban renaissance.
- PPS9 also states that beneficial biodiversity or geological features can benefit from good design. Although no sites within the Kendal Canal Head area are designated as being of particular biological importance, other sites in the surrounding areas were identified. The creation of a new section of canal as an integral feature in the AAP area could lead to the creation of new priority habitats, which would be in line with national targets towards sustainability. Regard to the findings of the Appropriate Assessment will also ensure important habitats are protected.
- **PPS12 Local Development Frameworks (2004):** PPS12 sets out the Government's policy on the preparation of documents within LDFs. LDFs are intended to streamline the local planning process and promote a proactive, positive approach to managing development.
- Section 2.17 of PPS12 identifies that within an LDF, AAPs are advised for key areas of significant change or where conservation is needed. It identifies that AAPs should be focused on implementation and can:
 - a. Help deliver planned growth areas;
 - b. Stimulate regeneration;
 - c. Protect areas particularly sensitive to change; and
 - d. Focus on delivery of area based regeneration initiatives.
- In Kendal, the AAP Preferred Option has been developed in accordance with the specifications outlined in PPS12. It will deliver regeneration to the areas of Kendal which are most in need of it. In accordance with PPS12 the Preferred Option also intends to stimulate development in such a way as to be sensitive to the protected areas in and around Kendal. Therefore the mix, density and type of housing and retail facilities have been chosen in order to complement the existing character of Kendal.
- In order to review the sustainability of the proposed Preferred Option, an SA has been produced at the issues and options stage to assess the various options against standard criteria.
- It is noted that a revised PPS12 is currently out for consultation. Regard will be had to any variations in the requirements for AAPs as set out in the final revised PPS12.
- **PPG13 Transport (2001):** PPG13's objectives are to integrate planning and transport at national, regional, strategic and local level and to promote more sustainable transport choices both for carrying people and for moving freight. PPG13 also aims to promote accessibility to jobs, shopping, leisure facilities and services by public transport, and also to encourage walking and cycling to reduce the need to travel, especially by private car.

- In relation to Kendal, it was important for the AAP to allow for the proposed transport needs resulting from the new developments and assess their impact on the existing transport network. The AAP seeks to preserve and, where possible, promote cycle paths and walkways along the line of the canal; to encourage walking, cycling and associated leisure activities whilst at the same time reducing dependency on the private car through the minimisation of unnecessary car parking.
- **PPG15 Planning and the Historical Environment (1994)** (including Circular 09/2005): PPG15 advises on the identification and protection of historic buildings, conservation areas, and other elements of the historic environment. It explains the role of the planning system in their protection and is relevant for public authorities, property owners, developers, amenity bodies and all members of the public with an interest in the conservation of the historic environment.
- PPG15 states that in the event of a large development in the vicinity of a site or structure of the historic environment, the policy advises that the adverse effects must be understood. With regards to the AAP, this is especially important in terms of appraising the quality of the historic factory buildings and environment within Kendal Canal Head. It is the intention of the AAP that the design of new buildings will be suitable within the context of existing historic buildings and enhance the character of the area.
- It is intended that any new development in the AAP area will not isolate the older existing buildings, but will endeavour to weave them into the fabric of the living and working community. Care has been taken so that the AAP will carefully integrate into the existing historic fabric, seeking to preserve and enhance the character of the area. This is particularly important in the northern end of the AAP area where there are a number of historic industrial buildings of good design quality. Another consideration of the AAP was the sensitive historic character of the canal. The Preferred Options under consideration have been designed so as to avoid future development of the canal alignment for non-canal related uses.
- **PPG17 Sport and Recreation (2002)**: PPG 17 describes the role of the planning system in assessing opportunities and the need for sport and recreation provision and safeguarding open space which has recreational value. The policy guidance identifies that, through the preparation of the development plans, it must be ensured that there is adequate land and water resources allocated for organised sport and informal recreation.
- Within the AAP area, the Preferred Options do not propose to build on any existing playing fields. However, 2 of the spatial Variations discussed in Section 7 do consider the redevelopment of existing allotments in the Fletcher Square area, and if these were taken forward measures would be taken to assess alternative areas for their potential relocation.

4.3 Regional Planning Policy

4.3.1 Introduction

The key regional planning policy documents which were reviewed and influence the Preferred Options for Kendal Canal Head were specifically the draft RSS for the North West and also the current RSS for the North West.

4.3.2 Submitted Draft Regional Spatial Strategy for the North West of England (2006)

The Draft Regional Spatial Strategy (RSS) for the North West of England is a new type of statutory document that sets out the framework for future development of the North West of England and will ultimately replace the current RSS (formerly known as RPG13). It has been prepared by the North West Regional Assembly and is currently available as a draft version.

Under the Draft RSS a number of key issues were identified which informed the derivation of the Preferred Options. Canals are considered to be an 'urban open space' that is vital to the cultural, aesthetic and historic heritage of urban life. As can be seen from the Preferred Options the canal is central to the redevelopment proposed, and will be utilised for a variety of different uses.

Policy RDF 2 states that Kendal should act as a service centre for surrounding towns and villages, providing a range of retail, leisure, community, civic, health and education facilities. The proposed Preferred Options would strengthen Kendal's strategic role particularly with regards to housing, retail and leisure.

For the Preferred Options to comply with Policy CNL2, it would need to demonstrate that the needs of the local people in South and East Cumbria will be met with a focus on securing inward investment and improving service provision within Kendal and Penrith.

Also identified in the Draft RSS is the need to engage any new development with the wider surrounding area. The Preferred Options achieve this in terms of the design style, and also in the choice of mix of business uses and housing type.

Policy CNL2 – Sub-area development priorities for Cumbria states that within the sub-areas of Cumbria it is key to ensure that the needs of local people in the South and East of Cumbria are met with a focus on securing inward investment and improving service provision within Kendal and Penrith. High priority should be placed on the provision of affordable housing within the sub-area.

The Preferred Options have taken this requirement into account, and it is proposed that 30% of any new housing in the AAP area will be affordable.

In addition, the Draft RSS proposes an allocation of 400 dwellings per year within South Lakeland (excluding the National Parks). Whilst it should be noted that this draft figure is subject to change, this allocation is more than double the current allocation for the District and as such provides additional scope for increasing the number of housing units within the AAP area

4.3.3 Regional Spatial Strategy for the North West (formerly RPG 13)

This document represents the current adopted strategic planning document for the North West region. The fundamental aim of the RSS is to promote sustainable patterns of spatial development and physical change. It is also essential that the Region's economic, social and environmental interests are advanced in synchronisation, and also support each other at all levels.

A number of key issues were identified in the baseline report that have been used to inform the Preferred Option. These include consideration of;

- Economy in the use of land and buildings;
- Enhancing the quality of life
- Quality in new development;
- Promoting sustainable economic growth and competitiveness and social inclusion.

The Preferred Option meets these guidelines by offering a range of housing type, improving transportation links, improving the existing economy and also bringing new development into the area.

4.4 Sub-Regional Planning Policy

4.4.1 Cumbria and Lake District Joint Structure Plan 2001-2016 (Adopted April 2006)

The Cumbria and Lake District Joint Structure Plan is the statutory planning document for the sub region and sets out a spatial strategy for Cumbria until 2016. The Structure Plan has a major influence on the future pattern of development and forms a key basis for the

preparation of the new Local Development Framework. It is anticipated that the Structure Plan strategy will be incorporated into the new RSS.

- Policy ST5 identifies Kendal as a Key Service Centre which is recommended for a sustained development programme.
- Policy ST11 states that the priority for new development in South and East Cumbria (and therefore Kendal) will be to ensure that the needs of local people and communities are met.
- Policy H19: Affordable housing outside the Lake District National Park states that affordable housing to meet proven local need and that adequate arrangements must be made to ensure that the housing remains available on an affordable basis for local people in perpetuity. The supporting text at paragraph 2.31 states that there is evidence in South and East Cumbria that at least 50% of new housing should meet current affordable housing requirements but that LDFs should assess the level of need and how this should be met most appropriately on a local basis, with flexibility on a site by site basis.

The Preferred Options have evolved following an extensive consultation process with the local community and key stakeholders to ensure that the needs and aspirations of the local people are met. The affordable housing requirement has been considered alongside the viability of delivering housing. Furthermore the Preferred Options seek to reinforce the role of Kendal as a Key Service Centre for Cumbria and to provide for local housing need.

4.5 District Planning Policy

The district planning policy and strategy documents which was reviewed within the context of the Kendal Canal Head Area Action Plan were;

- South Lakeland District Local Plan and Alteration (2004)
- Statement of Community Involvement (SCI) for South Lakeland District (2006)
- Current DPDs, i.e. SLDC's Core Strategy Issues and Options Report (2005) and emerging Preferred Options Report (2008).
- South Lakeland Community Strategy
- SPDs and SPGs
 - Joint Wind Energy (adopted June 2007)
- Kendal Economic Regeneration Action Plan (KeRAP)
- The Interim Planning Approach to Housing Development (IPATH)
- South Lakeland District Retail Assessment

Full summaries can be found in Section 2 of the baseline report.

South Lakeland Local Plan and Alteration: In order to meet housing land requirements, a number of sites are allocated for residential development. In Policy H2 a total of 71ha of housing land has been allocated. The remaining housing requirement in the Local Plan indicates a need for 1,307 units, a figure considerably in excess of our Preferred Option.

With regards to retail development outside Kendal Town Centre, further proposals for new, large scale, retail development will not be allowed under Policy R2 unless there is evidence that the development would not have an adverse effect on the vitality and viability of Kendal Town Centre. For these reasons, the Preferred Options ensure that the retail element will complement rather than compete with existing retail facilities in the town centre.

Policy R5 notes that SLDC will look favourably on proposals for new shops in suitable locations, where there is an intention to serve existing communities or new housing areas. As identified in the Preferred Options, the retail element is located in the area which has the

highest concentration of new dwellings in order for the shops to serve these new communities but not compete with town centre retailing.

Local policies relating to employment have been a key influence on the Preferred Option. Policy E5 identifies specific employment sites within the study area including Gilbert Gilkes, Mealbank Properties and North West Electricity Networks Limited site at Parkside Road. The Preferred Options propose areas within the Canal Head core area for employment use, although the mix and proposed distribution of uses would represent an amendment of the current allocations.

Policy L2 states that the allotments, statutory or non-statutory would be protected from development unless another allotment of similar or better size and quality is provided in an accessible location. Whilst the importance of the allotments to the residents is recognised, two Variations of the Preferred Options propose residential development on all or part of the current allotments. , Alternative allotment sites have been investigated, and these will be explored in further detail in the final AAP document if either of these two Variations are to be taken forward, and once the SLDC Open Space Strategy has been produced.

Large sections of the District are identified as being of national conservation importance, and so as a result, protecting the quality of the environment and heritage features is a key requirement of the areas planning strategy. As part of the Kendal Canal Head site is within the Conservation Area, the Preferred Options propose to ensure that the Conservation Area is protected by considering not only the study area but also the wider context.

The Core Strategy for South Lakeland – Issues and Options (2005), will set out the broad spatial framework for the area. It will set principles to guide locations and design of new developments and allow an indication of where most development should be located, whilst reviewing the opinions of the community and meeting goals of sustainable development. The Core Strategy will conform to the Regional Spatial Strategy, the Structure Plan and the Community Strategy. The Core Strategy has currently been developed to Issues and Options stage, which represents the first stage of the Core Strategies preparation. The Council is anticipated to prepare a Preferred Options report, in time to be the subject of consultation in March 2008.

The Core Strategy identifies Kendal as a Key Service Centre. As a result of this, the Preferred Options have been developed to ensure that Kendal provides a complementary range of services and features to sustain the overall aspirations of the District. In addition to this, the Preferred Options aim to enhance the current range of key services and facilities.

The Core Strategy also identifies that the current demand for employment land and space in Kendal outstrips supply. The Preferred Options have considered this issue, and proposes to utilise currently disused sites for new employment uses. Where current businesses have been affected by the Preferred Options, steps have been taken to relocate these where possible within the current AAP boundary.

4.6 Non-Planning Policy and Strategy Documents

4.6.1 Northwest Regional Economic Strategy 2006

The Northwest Regional Economic Strategy sets out how the North West can improve its economy and develop to its strengths and priorities for the next 20 years. It does this by setting out prioritised actions the region should utilise in order to maximise its sustainable economic development for the future.

The strategy presents a vision of what the Region could be like if all its potential could be realised. In short, a dynamic, sustainable international economy providing an excellent quality of life for all, by competing in both knowledge and advanced technology based sectors. This has been developed by considering:

1. Productivity and enterprise levels are high;
2. Growth opportunities are fully developed;

3. Key growth assets are fully utilised;
4. Appropriate economies are regenerated, with employment rates high and concentrations of low employment eliminated.

Three major drivers are set for improving economic performance and achieving the goals of the vision:

- Improving productivity and growing the market;
- Growing the size and capability of the workforce; and
- Creating the right conditions for sustainable growth and private sector investment.

The main issues of concern to the Kendal Canal Head Area Action Plan are outlined below:

- Implement plans for ongoing growth in the rural economy ;
- Develop the economic benefit of the region's natural environment; and
- Ensure new housing to support regeneration.

The Preferred Options focus new employment within areas which are currently disused, and in the instances where current businesses have been affected by the Preferred Options, these have where possible been relocated within the AAP boundary. In order to retain growth within the rural economy the Preferred Options have been designed so as to complement rather than compete with the existing economy.

To benefit from the natural environment, the Preferred Option has been carefully designed so as to retain the present views and vistas, and character of the area. This was achieved by considering the wider area when the character of the AAP area was assessed.

The proposed new housing typology and mix was carefully considered when developing the Preferred Options to ensure that there was not an adverse impact on the current housing stock. A percentage of 30% affordable housing has also been proposed to simultaneously meet the local community's housing need whilst ensuring that the scheme can achieve its wider regenerative goals.

4.6.2 The Cumbria Housing Strategy 2006/2011

The Cumbrian authorities together with their partners have worked collectively to develop housing services within the County. Particular emphasis has been placed on how housing and planning services can improve the ability of Cumbria's housing markets to respond to social and community needs. The Preferred Options take steps to achieve this by offering a wide mix of housing typology and density. In order to meet the needs of the local communities, the Preferred Options also provide 30% affordable housing.

It is the vision of this strategy that Cumbria will have a balanced housing market which will support the county's social and economic changes in the next 20 years. Outlined in the strategy is the way in which Cumbria will balance its housing markets in the next five years using existing national and regional policy frameworks.

Five key housing issues were used to inform this strategy;

- Affordable housing
- Creating decent homes and environments
- Housing the homeless
- Regeneration
- Homes with support or additional facilities.

The Preferred Options fulfil many of these criteria through the flexibility and percentage of affordable housing which it provides. In order to maintain the environment of the area, the wider context has been considered, and also areas of open space have been incorporated into the design.

4.6.3 Cumbria Community Strategy (Consultation Draft 10th September 2007)

The Cumbria Community Strategy (Consultation Draft 10th September 2007) has been produced by the Cumbria Strategic Partnership, and is currently undergoing a public consultation period which is due to finish on December 3rd 2007. Although in draft form it was important to have regard for this document when developing the Preferred Option.

Key themes identified in the report relating to the AAP study area include:

- Ensuring that all communities have access to the services that they need, and any enhancement in infrastructure is safe for both the public and the environment;
- Maintain the current growing economy by boosting skills, improving infrastructure and increasing the number of high value jobs available to the labour force;
- The built environment of the county should match the outstanding nature of the natural environment;
- Develop the existing culture;
- Ensuring that both the affordable housing and the housing market renewal demands within the county are met.

To meet the transport recommendation in the Cumbria Community Strategy, the Preferred Options aim to provide excellent links to public transport, particularly to Kendal Rail and Bus Stations and Oxenholme Station. In addition to this, the Preferred Options also aim to improve cycle and pedestrian routes.

In addressing the current economy of the area, the Preferred Options will enhance the current economy by reusing currently disused sites, and also introducing a new mix of employment into the Kendal Canal Head area. The type and mix of employment uses have been designed so as to enhance the current town centre and not compete with it.

When assessing the current local character of the study area, the wider surrounding area was considered in addition to the study area. In order to maintain the current character of the area, the Preferred Options propose to incorporate unique historical character buildings into the new development rather than leaving them as stand alone buildings. Care was taken when developing the density and proportion of new housing for the Preferred Options so as to not have an adverse impact on the current housing stock in the area.

4.6.4 South Lakeland District Community Strategy 2004-2024, *A Shared Vision for the Future*

The South Lakeland District Community Strategy 2004-2024, *A Shared Vision for the Future*, is a document which aims to improve the economic, social, and environmental well being of the district. It aims to establish a more effective community involvement and put local people at the heart of the strategy, by identifying their needs, and ambitions.

Key aims relating to the study area include:

- Job, Skills and Regeneration
- Affordable Housing
- Quality Environment

The Preferred Options have been designed to have regard for these key aspirations.

The proposed mix of uses of new employment in the area was chosen as it is anticipated to reform the Kendal Canal Head Area into a more attractive destination for tourists. The mix of new small character shops and proposed new walkway along the side of the new canal would be attractive features for tourist visiting the area.

With regard to the aspiration for the quality of the environment, the Preferred Options have been developed to complement the existing built environment and also the natural heritage

of the area, particularly the River Kent. It was for these reasons that the wider environment was considered when determining the design and mix of new development. Key features considered were the local conservation areas, Kendal Castle and the existing design and building typology of the area.

A percentage of 30% affordable housing is being proposed through the Preferred Options. The affordable housing proposed is also of a mix of type and size, thus making it more appropriate to the local community in accordance with the aspiration for affordable housing.

4.6.5 The Kendal Economic Regeneration Action Plan (KeRAP)

The Kendal Economic Regeneration Action Plan (KeRAP) establishes a ten year vision for the town, and identifies priorities and examines how key initiatives can be integrated and delivered to maximise value for money. A number of significant issues for the Preferred Options are identified, including:

- A need for additional business space;
- A balanced mix of land uses compatible with the town centre and the KeRAP proposals for Kirkland and Highgate, with aims to reuse the more important buildings in the area.
- Major highway network and strategic parking provision constraints were also identified. The Preferred Options aim to provide excellent links to public transport, particularly to Kendal Rail and Bus Stations and Oxenholme Station.

4.6.6 Interim Approach to Housing Development (IPATH) (2005)

IPATH provides a means of implementing Structure Plan policies on housing provision, affordable housing and local occupancy. The Council approved a revised IPATH and an IPATH Companion Guide on 27th March 2007. IPATH requires 66.6% of new affordable homes to be built within the lower affordable house price and 33.3% within the higher affordable house prices.

In relation to the Kendal Canal Head AAP, discussions have taken place, to agree a percentage of 30% affordable housing for the proposed Preferred Options. This is inline with the flexibility required to ensure the Preferred Options are deliverable.

The Interim Approach to Housing Development (2005) develops the policies of the Cumbria and Lake District Joint Structure Plan (Modifications) 2005 (as described at Section 4.4.1) and provides the Council with greater scope to manage the supply of housing development in the District, prioritising the provision of housing to meet local needs.

The most relevant policies in the document relating to the Preferred Option include;

- Policy ST11 South East Cumbria – The occupancy of new housing required by Policy H17 will be restricted to people with a local connection to the area with at least 50% serving evidenced need for affordable housing. For the purposes of ensuring 50% requirement for affordable homes in the South East Area of the District, all housing sites of 4 or more units should provide at least half of the units as ‘affordable’. In line with this policy, modest flexibility is allowed in the application of this requirement where it is clearly and independently demonstrated by the applicant that this requirement would render the development unviable.
- Policy H17 Scale of Housing Provision: Land will be made available for new housing until 2016 by the granting of planning permission for the following scale of new dwellings (net additions) in South Lakeland of up to 195 annual average dwellings each year up to 2016. This moderate number of housing allocations may restrict the development of the 539 new dwellings proposed through the Preferred Option Base Scenario. This may also have financial implications for the project where restricted phasing of the housing developments may be required.

4.6.7 South Lakeland Housing Needs and Market Assessment (June 2006)

The principle aims of the South Lakeland Housing Needs and Market Assessment (June 2006) are to;

- Assess the future housing needs of South Lakeland;
- Identify housing markets and understand their drivers;
- Provide a thorough and robust evidence base to support the development of housing and planning strategies.

As a result of its location in the Lake District, the fantastic scenery and the good access via rail and road, properties within the South Lakeland are highly sought after. As a result of this, house prices therefore tend to be high, restricting choice amongst first-time buyers and lower income households considerably. Evidence has shown that over the past four years, average house prices in the region have nearly doubled. However, although in 2005, average prices were in excess of £200,000 across the majority of South Lakeland, Kendal was an exception to this.

The market town characteristics and good accessibility means Kendal is a desirable place to live. A range of housing types are available, making the housing market within Kendal robust and diverse. A key issue for Kendal is the availability of affordable housing, something which has been carefully considered in producing the Preferred Options. 30% of the proposed new housing in the Preferred Options will be affordable, and a mix of affordable housing types would be provided.

Also identified within the study is the shortfall in affordable housing in rural Kendal. House prices in rural Kendal tend to be higher, with property values inflated due to a high quality and accessible residential environment.

4.6.8 South Lakeland District Council Retail Study (October 2007)

The South Lakeland District Council Retail Assessment (2007) has been prepared to inform the emerging LDF for the area. It looked at the five key shopping centres in South Lakeland and their catchment areas to determine the quantitative need for new floorspace in both comparison and convenience categories in those centres. Grange and Milnthorpe's limited market share ensured that they were incorporated within Kendal's catchment area.

The report concluded that under the present national planning guidance, the greatest qualitative need in the shopping catchment area is in the two district centres of Grange over Sands and Milnthorpe, and that this is where the quantitative need should be directed:

- The remaining quantitative need for convenience goods could be directed in and around Kendal town centre and / or used to support small local convenience store(s) in association with new residential development but that it would not justify a third superstore in Kendal. This position may change following the publication of any new / revised planning guidance, but the priority in the retail study area would remain satisfying the quantitative and qualitative need in Grange over Sands and Milnthorpe. This would therefore cast doubt on the need for a new superstore to be located in the Kendal Canal Head area, as proposed in Option 5.
- The report further stated that, in terms of the quantitative need for new comparison goods floorspace in Kendal, there was no need to identify new sites in the LDF before 2011. By 2015, this potential floorspace would grow to 8,000m²; however, the report goes on to state that quantitative need or capacity identified beyond 2011 is not sufficient justification for new retail floorspace outside of existing centres as indicated in PPS6, as identifying edge and out of centre sites now could prejudice more centrally located sites coming forward that, although not available for retail development at present, may become available between now and 2011 or after 2011.

- The report does state that it is important that Kendal Town Centre improves its comparison goods offer to retain its market share due to improvements in surrounding centres including Lancaster and Penrith.

4.6.9 South Lakeland District Strategic Flood Risk Assessment (SFRA) (October 2007)

The South Lakeland District SFRA identifies that there are significant areas within the district which are at risk of flooding. Kendal has the greatest risk of flooding as both the Rivers Kent and Mint flow through the town. It is estimated that over 391 properties could be affected by the 1% (100 year) flood. The 1% (100 year) flood has 1% probability of occurring in any one year, or will occur on average once every 100 years.

As can be seen in Figure 4.1 a significant percentage of the AAP site lies within flood zone 3a High Probability. Within this area, water-compatible and less vulnerable land uses would be appropriate, and those uses classes considered to be highly vulnerable and essential infrastructure uses should only be permitted in this zone if the Exception Test is passed.

The proposed Preferred Options satisfy the Exception Test criteria. The development is proposed to be on previously developed land, and the development would provide wider sustainability benefits to the community which would outweigh flood risk. In addition to this, a Flood Risk Assessment (FRA) will accompany any proposal. In developing the design of the preferred option, consideration was also given to the flood risk. The design of the apartment blocks is such that the more vulnerable uses will be located on the upper floors with less vulnerable land uses occupying the ground floors.

4.6.10 South Lakeland: Knowledge-based Employment Land Search and Assessment (NWDA) (August 2007)

This document provides an independent study of sites with the potential for knowledge-based employment use within the Kendal area and assesses their suitability in terms of market attractiveness, physical constraints and acceptability in planning terms.

An assessment was undertaken of 17 sites in and around the Kendal area with the potential for accommodating knowledge-based employment uses. Ten sites are judged to be unconstrained, in terms of bringing forward knowledge-based employment on the site and seven sites are judged to be severely constrained, i.e. that are constrained by a factor sufficiently severe (either from a cost or a practical perspective) as to prohibit knowledge-based employment from being viable on the site.

The top four ranking unconstrained sites were found to be the Canal Head in the centre of Kendal, and three sites, Milnthorpe Road (East), Milnthorpe Road (West) and Burton Road (South), on the periphery of Kendal. Opportunities for the provision of accommodation for knowledge-based employers have therefore been identified in the Preferred Options, although this has been balanced against the aim of retaining existing employers in the Canal Head area, where appropriate.

Figure 4.1: Flood Risk Map with AAP boundary

5 Options Previously Considered

5.1 Introduction

In practice, there are many alternatives, options and variations as to how the Canal Head may be developed and regenerated in the future. This section of the report considers the options for the AAP that were proposed in the previous Issues and Options Report, what their constituent features comprise, and how the Preferred Options were chosen from these options.

At the Issues and Options stage four options were developed on the basis of research undertaken during the Evidence Gathering stage of the AAP's preparation. Through consultation a fifth option was proposed. The five options are summarised below.

In addition, in response to consultation comments, we investigated the potential for a marina within the AAP area. We considered the viability of a marina taking into account specific site factors and commercial viability. It was concluded that a marina within the AAP area would not be viable. Details of the Marina Viability Assessment are included in Appendix G.

It should be noted that these options are separate to the variations which constitute the Preferred Options. The summary of the earlier options is provided below by way of background to how the Preferred Options Base Scenario and Variations have been derived.

5.2 Summary of Options Presented in the Issues and Options Report

5.2.1 Option 1

Option 1 is illustrated in Figure 5.1 and may be described as the 'No AAP Approach' as it does not provide a comprehensive or coordinated approach to the area. This option is constrained by the current proposed planning applications relating to or for land in the northern part of the AAP area receiving planning permission. Option 1 would see the redevelopment of 3.8 ha of land in accordance with the proposals contained in outstanding planning applications, at the time of the Issues and Options Report.

This option does not provide any residential development other than that which has been submitted as part of planning applications. It assumes that planning permission will be approved for the planning applications and their subsequent implementation, which would considerably limit the opportunity to provide a holistic solution to the regeneration of Kendal Canal Head.

The major sites which would be developed are the Goodacres Carpet Factory site (Site 1.4 and 1.5) and land and premises currently occupied by and part of the playing fields (Site 1.6); all of which are located in the northern part of the study area.

5.2.1.1 Key Characteristics

Key features of this Option would include the following:

- Former Goodacres Site, Aynam Road:
 - Conversion of the stone-built building on the West of the Site for B1 office use;
 - Conversion of Loom Hall 2 & 3 for recreational facilities;
 - Conversion of porters lodge/joiners shop to a dwelling house; and
 - Demolition of a number of the disused loom sheds and cottages to provide car parking facilities.
- Playing Field to the immediate east of the current Cumbria County Council Waste Transfer Site:
 - Temporary car parking and landscaping.

FIGURE 5.1

FIGURE 5.2

- Gilkes site:
 - Potential redevelopment of the industrial facility including a mix of uses.
- Former alignment of the Northern Reaches of the Lancaster Canal.

5.2.2 Option 2

Option 2 is illustrated in Figure 5.2 and proposes the redevelopment of a number of sites along the western side of the proposed reinstated Northern Reaches. It responds to the surrounding context and recognises that it has an established pattern and scale of development, which relates to the unique surrounding landscape, views and vistas. This proposal retains a number of important landmarks, buildings and artefacts as well as the existing terraced streets to the west of the reinstated canal.

A concentrated mix of uses is proposed for sites 2.3, 2.4 and 2.5, centred on a series of small attractive public squares. The public spaces may form the focal point for local activities such as heritage trails, town walks and other guided activities. By combining heritage and new buildings a living museum could also be created in these squares, focusing on local industry and historic activities around Canal Head.

This option proposes to provide less residential uses in the north of Canal Head than Options 3 and 4, but focuses on providing commercial and industrial uses in this area. These uses form part of the Canal Head's historical legacy.

In the southern part of the area, around sites 2.9, 2.10 and 2.12 family housing is proposed in keeping with the surrounding scale and context.

Option 2 would provide an integrated, vibrant area with a mix of land uses and employment opportunities. However the limited development in Option 2 contributes significantly less towards the reinstatement of the canal and leaves the canal at the boundary of the area, rather than at the heart of a new canal quarter.

5.2.2.1 Key Characteristics

A broad mix of land uses is proposed in this option, and locates mixed use developments to the north of Canal Head around sites 2.3, 2.4, 2.5, and 2.6 with concentrations of residential developments in the area around sites 2.9, 2.10, 2.11 and 2.12.

- A boutique hotel would be included on Site 2.6.
- A mix of high quality office space would be provided within the former Goodacres site in this option (Site 2.5), in addition to the on-site relocation of the Gilkes manufacturing land use.
- A number of key public spaces would be provided.
- The residential use would be concentrated to the South West of the AAP study area on sites 2.9, 2.10, 2.11 and 2.12.

The constraints and fixes within include the Transco Site, The North West Electricity Networks Limited Sub Station, a 30 metre exclusion zone from the low lying cables and the K-Village Site.

5.2.3 Option 3 and Option 4

Option 3 is illustrated in figure 5.3 and develops both the east and west sides of the canal. Option 3 provides more mixed uses throughout the area and Option 4, illustrated in Figure 5.4, provides more of a residential approach. Both options develop more residential into Kendal Canal Head than Options 1 and 2, providing a wider range of uses.

FIGURE 5.3

FIGURE 5.4

5.2.4 Option 3

The southern area provides some apartments and family housing in the form of maisonettes and terraces which take advantage of the canal setting. Gilkes is relocated to the southern quarter of the site onto Site 3.20 and would be located close to the overhead power lines and sub station.

Option 3 also offers a variety of land uses including retail business and hotel land uses in addition to the relocation of Gilkes to the south of the site.

5.2.4.1 Key Characteristics

This option offers more residential units than previous options where canal side apartments have been integrated with lower density housing. It provides integrated mixed use development in the North West of the study area, where cafes, restaurants and specialised retail will be carefully integrated with residential units to provide a sustainable and thriving cultural quarter. Employment land use will be provided within a small number of office developments in addition to the on site relocation of Gilkes to the South of the study area.

- A mix of land use proposed, albeit incorporating a substantial amount of residential units.
- A number of restaurants and cafes would be located on the ground floor of developments, concentrated around sites 3.1, 3.2, 3.3, 3.4, 3.7 and 3.8 across the northern section of the study area.
- Public squares to the south of Canal Head north and green open space along the Canal front (particularly along the east of the Canal) providing attractive, inviting environments and encourage user participation.
- Office space would be provided on sites at the Gilkes site (Sites 3.1 and 3.2) and on the site next to the North West Electricity Networks Limited Sub Station (3.20).
- The on-site relocation of Gilkes would be facilitated to the west of the North West Electricity Networks Limited Sub Station Site on site 3.20, providing 3,000m² of manufacturing and office space.
- A boutique hotel on Site 3.2.
- Greater emphasis placed on residential than the two previous options.

5.2.5 Option 4

Option 4 is similar to Option 3, although it develops more residential in the north of the AAP area. The southern area offers a high proportion of apartments taking advantage of the canal setting. It includes little employment uses, in contrast to Option 3.

Option 4 focuses more on residential developments and includes an intensification of residential use across the Area Action Plan area. As a result, this option provides a larger quantity of residential units. The non-residential land uses in this option concentrate primarily on retail and hotel land uses.

5.2.5.1 Key Characteristics

Option 4 provides the highest concentration of residential land use of all the options, and could provide more than 800 new dwellings depending on the housing density applied. This option also integrates high levels of specialist shops, restaurants, cafes and a wine bar.

- A mix of cafes, shops and restaurants, integrated with a relatively high concentration of residential land use is proposed in addition to the highest number of residential properties, substituting employment land use for residential.
- In addition to the two public squares, created in previous options, a terrace walkway has been established to follow the line of the canal along a new arm of the canal which links to the main canal route.

- This option does not provide any additional office or industrial land use and it proposed that Gilkes should be located off site.
- Option 4 would create residential units on both the North and South of the study area. This includes plots 4.15, 4.16, 4.17, 4.18 and 4.19; and integrated within mixed use sites on the north west corner of the study area.

5.3 Summary of Options Proposed through Consultation

5.3.1 Option 5

Following public consultation on the Issues and Options Report for the AAP, a further option was proposed by Development Planning Partnership to incorporate more retail floorspace into the AAP area through a supermarket, given the current absence of town centre sites and the current out of centre provision both in food and non food retail sectors

5.3.1.1 Key Characteristics

The proposal involves the introduction of a large retail superstore, along with other developments such as residential and commercial use. It would assist in linking shopping visits to other retail outlets and services in Kendal town centre. The representation states that as the area has a number of substantial existing buildings on the site which cover large floor areas, the replacement of these large floorspace users with a substantial retail floorspace would not be at odds with existing buildings.

The consultee has been asked for details of their proposed option but they have been unable to provide details. In order to assess this option, a number of assumptions have had to be made in the absence of detailed from the consultee. These have drawn on experience of supermarket developments elsewhere and include the following:

- A superstore of 6500m²
- Car parking spaces and associated ancillary uses for a 6,500m² retail superstore:
 - At 400 parking spaces (aisles etc) @ 24m² per space = 9,600m² for parking and ancillary uses
 - At 650 parking spaces (aisles etc) @24m² per space = 15,600m² for parking and ancillary uses
- Therefore the size of the total footprint for a 6500m² superstore with 650 car parking spaces could be at least 2.21ha.
- This would need to be subtracted from the overall 'developable area' in the Area Action Plan.

5.4 How the Options were evaluated

In order to inform the identification of a Preferred Options for the Kendal Canal Head AAP, an appraisal exercise was carried out. This exercise involved a strategic review of each option in the context of the following, which will be considered by the Planning Inspectorate when they assess the AAP, as part of their 'Tests of Soundness'.

- The Community Strategy
- Planning policy: national, regional and local
- AAP objectives
- Sustainability Appraisal
- Consultation findings

The following paragraphs present a summary of the appraisals and should be read to understand how the Preferred Options have been identified. Full details of the appraisals are appended to this report, and include: policy appraisal spreadsheets (Appendix E); and a note of the AAP objectives.

5.5 The Community Strategy

The overall quality of the options evaluated is good in the context of the South Lakeland Community Strategy, with the exception of Options 1 and 5.

Option 1 provides limited value in terms of the appraisal as there are no specific proposals to appraise. Option 1 offers the business as usual scenario, resulting in an overall neutral result, with limited positive aspects and no identified negative impacts. As a result of this, the option provides a no added value conclusion for the AAP area.

Option 5 is similar to Option 1. Due to the limited information of the proposal received, fairly neutral results have had to be recorded as there are no specific details identified. Important to note with this option is the negative impact which a large scale retail unit would have on the transport network, however, it would increase the retail floorspace in Kendal.

Options 2 to 4 provide similar and wide ranging implications. All three options provide the opportunity for the potential development of new areas of open space however, it should be noted that in Options 3 and 4, there is the negative implication of losing the allotments. Due to the density and mix of housing, Option 2 does not contribute as well to achieving decent affordable housing. Options 3 and 4 on the other hand to provide a good mix of dwelling types to the area but as a result employment and community facilities are reduced.

In summary, although Options 3 and 4 provided the greatest benefits in relation to the community strategy, overall Option 3 scored highest. Options 1 and 5 scored lowest.

5.6 Planning Policy Appraisal

5.6.1 Overview

With the exception of Option 1, the overall quality of the options presented is good in the context of relevant planning and community objectives and policies. The options vary only to a limited extent in how they respond to this context, each demonstrating a similar level of strengths and weaknesses in terms of the key issues such as housing, employment, transport and biodiversity.

Option 3 has been identified as the Preferred Option as this option fulfils all of the regeneration criteria whilst at the same time offers the greatest mix of uses and widest choice of new housing. In addition to this, the option also makes the greatest financial contribution towards the restoration of the canal. Option 3 will create a vibrant mixed use canal quarter, new high quality residential neighbourhoods and a network of attractive walking and cycling routes around the restored canal.

5.6.2 Option 1

Option 1 has demonstrated limited value in terms of the appraisal as there are no specific proposals to appraise given it is the business as usual scenario, resulting in an overall neutral result, with limited positive aspects and no identified negative impacts. However this option results in no added value for the area and for Kendal.

5.6.3 Option 2

Option 2 proposes the redevelopment of a number of sites along the western side of the proposed reinstated canal. It responds to the surrounding context and recognises that it has an established pattern and scale of development, which relates to the unique surrounding landscape, views and vistas.

This option has throughout the appraisal process demonstrated fair to very good results, however there are some key weaknesses, as with all options 2 to 4, in relation to transport. The proposed development would have an impact on the already constrained road network. This option offers good opportunities in terms of generating a lively and attractive destination for Kendal that responds effectively to the content of its cultural heritage. The option offers opportunities to create new employment, whilst maintaining existing key employers however, in the context of the natural environment the option has weaknesses in terms of the level of commitment to a proactive approach. Despite this, the option would

retain the Fletcher Square allotments, a valued local asset, giving this scheme value over the others from the community, health and open space perspective. On the other hand the housing provision allowed for by this option has less value.

5.6.4 Option 3

Option 3 uses the same development plots as Option 2 but also incorporates a number of key development plots to the East of the Canal. This option offers more residential units than previous options and canal side apartments have been integrated with lower density housing. It provides integrated mixed use development in the North West of the study area, where cafes, restaurants and specialised retail will be carefully integrated with residential units to provide a sustainable and thriving cultural quarter. Employment land use will be provided within a small number of office developments in addition to the on site relocation of Gilkes to the South of the study area.

Throughout the appraisal process this option has demonstrated fair to good results. Key weaknesses of this option include as stated in option 2, the issues associated with transport, and also the loss of open space. This option proposes residential development on the Fletcher Square allotments, which are a key local asset. On the other hand, this option does offer a larger number of new houses and a more suitable mix of housing types, and also provides new uses for currently derelict employment sites.

5.6.5 Option 4

Option 4 illustrates the development opportunity where most of the developable plots have been considered within the AAP. It provides the highest concentration of residential land use of all the options, and could provide more than 800 new homes depending on the housing density applied. This option also integrates high levels of specialist shops, restaurants, cafes and a wine bar.

Similar to Option 3, this option offers fair to good responses throughout the process. A key weakness of this option is the loss of potential employment uses. In addition to this, the large numbers of houses proposed could lead to an adverse negative impact on the existing local housing stock, and also leads to the loss of the allotments which would have a negative impact on the local community.

5.6.6 Option 5

Option 5 involves the introduction of a large retail superstore, along with other developments such as residential and commercial use. It would assist in linking shopping visits to other retail outlets and services in Kendal town centre. The representation from which this option has developed states that as the area has a number of substantial existing buildings on the site which cover large floor areas, the replacement of these large floorspace users with a substantial retail floorspace would not be at odds with existing buildings.

Option 5 does not respond well throughout the appraisal process and consistently scores between poor to fair. As with the options analysed above, this option would have a very negative impact on the already constrained transport network. This option would also result in the loss of the mixed use element of the development as such a large proportion of the Canal Head would be taken up by the superstore and its associated car parking. Another key weakness of this option compared to the other options is the loss of local character and urban design resulting from the construction of a major superstore. There are also no specific proposals about environmental protection or enhancement.

5.7 Area Action Plan objectives

5.7.1 Overview

Each of the five options was scored on the following range:

++

+

0

-

--

A -- performance indicated a particularly negative impact in achieving the AAP objective, and a ++ performance indicated a particularly positive benefit in achieving the AAP objective. Where it was perceived the option did not have an impact on the area either positive or negative, a neutral performance indicator of 0 was awarded. Proposals which were identified to have a slight positive or negative impact were awarded indicators + or – respectively. Due to a lack of detailed specific content eg parking and utilities, it has been assumed that these would conform with standards and were therefore attributed neutral scores.

The relative performance of Options 2, 3, 4, and 5 were overall positive. Only option 1 was perceived to have a negative impact on achieving the objectives. Option 3 was identified as having the greatest positive impact in achieving the AAP objectives, particularly due to the option's ability to maximise opportunities to develop brownfield sites, bring forward the canal and the ability to diversify the benefits which the town will have to offer as a result. A table setting out the results of the assessment of the five options against the AAP objectives is presented in Table 1.

Table 1: Area Action Plan objectives analysis

AAP Objectives														
	Improve opportunities and choice in local housing by type and tenure	Protect existing and provide high quality natural and built environment including open space and public realm	Integration with town and key facilities	Encourage provision of high quality local shops and community facilities	Facilitate efficient movement through and within the town with a range of transport modes and a legible network of paths, cycleways and clear road hierarchy	Diversify the town's offer through provision of unique canal based quarter with vibrant mix of uses which encourage economic activity	Opportunities for appropriate range of HQ employment including professional and technical occupations whilst allowing ongoing industrial and commercial activity	Protect and enhance historic buildings and conservation area	Maximise opportunity to develop brownfield land and ensure new development meets planning and regeneration objectives	consultation influence development	provide appropriate level of parking	consider value as source for private sector investment to fund restoration of canal	consider location of existing utilities and future redevelopment and regeneration of the Canal Head and to ensure potential costs of relocating infra are considered	Respect environmental constraints to development and seek to mitigate impacts where appropriate
Option 1	0	0	0	0	0	-	0	0	-		0	- -	0	0
Option 2	+	+	+	+	0	-	+	0	+		0	- -	0	0
Option 3	+	+	+	+	+	+	+	0	+		0	+	0	0
Option 4	+	+	+	+	+	+	0	0	+		0	+	0	0
Option 5	0	0	0	+	+	-	0	0	0		0	+	0	0

5.8 Sustainability Appraisal

A Sustainability Appraisal (SA) is being prepared to assess the AAP as it is developed to ensure that key sustainability objectives are achieved. A scoping report was prepared and circulated for key stakeholder consultation in June 2006. On receipt of comments the scoping report was revised and finalised in August 2006.

The SA of the AAP Issues and Options Report was assessed and, in August 2007, reviewed by South Lakeland District Council's Sustainability Panel. The SA recommendations for the options are summarised below. The full SA of the Issues and Options can be accessed on the Council's website,

Option 1 had limited value in terms of sustainability and Options 2 to 4 had wide ranging but similar implications. All options succeed in promoting public participation in the development process and consider opportunities for enhancing access to open space as well as access to shops promoting health food, although this is a potential use rather than a definite provision. Option 2 does not contribute to achieving decent affordable housing given the limited number of dwellings proposed in addition to the fact that the dwellings are large family homes rather than smaller scale units more suited to local need. Options 3 and 4 on the other hand to provide a good mix of dwelling types to the area but as a consequence employment and community facilities are reduced.

In terms of protection of the natural environment, the options make no effort to enhance biodiversity and risk possible negative impacts as no detail is yet provided in terms of how open spaces will be developed and local allotments, which will support some local biodiversity will be lost for Options 3 and 4.

In landscape character terms however, improvements are expected to occur as a result of the options with Option 2 presenting the most likely improvements due to the constrained nature of the development envelope.

In terms of the built environment, while improvements will be made under Options 2, 3 and 4, opportunities for sustainable construction are overlooked and details in terms of designing out crime have not yet been provided. The poor results in these cases however could be easily overcome.

Sustainable use and management of natural resources has been shown up by the SA as having been given limited consideration to this point the development process. Options are located within the urban envelope of Kendal which is supportive of sustainable movement, however it is not clear from the details presented to date that opportunities for achieving sustainable use and management of natural resources will be achieved and this may be mitigated at this stage through setting of more robust targets for sustainable development.

Given the options seek to promote employment in most cases, with the exception of Option 4 the initial impact of each is relatively positive in terms of creating new jobs, providing access to training and strengthening the local economy.

Option Five presents a coordinated approach to overall development in the Canal Head area. However, a large retail superstore should seek to minimise visual impacts on the overall built character of the area. In terms of sustainability, provision of large scale surface car parking in this area may have some negative impacts on the area in terms of traffic generation and character of the built environment. On the other hand, a large retail superstore has the potential to bring in new jobs in this particular sector with a range of career opportunities from unskilled to high level management. Any development of this scale would need to ensure that there would be no negative impact on the vitality and viability of Kendal Town Centre and other retail facilities proposed in the Canal Head Area.

5.9 Consultation Findings

Using the consultation responses to the Issues and Options Report, both the general comments and those on the comments form consultees were invited to complete, it has been possible to determine which of the options was most popular. In order to analyse the responses, it was decided to divide this information into two categories, explicit and implicit. The former for where a preferred option was explicitly stated and the latter for where it was only implied. The information was further sub-divided into the groups: agencies; interested groups; businesses; and individuals, to again allow closer analysis of the information. The following choices were used: Option 1; Option 2; Option 3; Option 4; none of the options; and did not state/was not clear. Where a preference was made for several options, each of the individual options was marked as having been preferred.

Where it is explicitly stated which Option is preferred, Option 3 is the most popular, very closely followed by Option 2. Where the preferred option is only implied, Option 2 is the favourite, however Option 3 follows closely behind. Therefore when combined, it is Options 2 and 3 which come out top. Option 4 is reasonably popular, however Option 1 is only half as popular as Option 2. There were only a very small number of people who stated that they did not like any of the options. However over a third of people did not state which option they preferred and it was not clear if they implied any of the options as preferred.

Option 5 was not analysed through this process, as it was developed as a direct result of this consultation method.

5.10 Conclusions

The five options have been through a detailed assessment process, as described above. The results of this analysis are summarised in the table below. This demonstrates that the most appropriate option to take forward is Option 3. As a result of this analysis Option 3 has been used as the basis on which the Preferred Options have been developed, as described in this report.

Table 2: Overall Performance analysis comparison

	Contribution to AAP Vision/ Objectives	Contribution to Draft Community Strategy Objectives	Sustainability Appraisal	Conformity with Planning Policy and Guidance	Public Support
Option 1	Poor	Poor	Neutral	Neutral	Neutral
Option 2	Fair	Fair	Fair	Good	Neutral
Option 3	Good	Good	Fair	Good	Neutral
Option 4	Good	Fair	Fair	Good	Neutral
Option 5	Fair	Good	Good	Good	Fair

Very good	Responds well to all objectives
Good	Responds well to most objectives
Fair	Has potential to do much better
Neutral	Unlikely to impact positively on objectives but will not impact negatively
Poor	Does not contribute to objectives and could have negative impacts
Very Poor	Potentially would have an overall serious negative impact

6 Spatial Strategy

6.1 Introduction

This section discusses the overall spatial strategy for the AAP, presenting an idea of how the AAP can be used to establish the overall spatial framework for development at Canal Head. This section presents the overarching strategy, seeking to establish how the AAP can create a legible, efficient use of land, followed by more detailed inputs on:

- Uses and activities;
- Access and movement; and
- Environment and place making.

The Spatial Strategy and subsequent development proposals have been developed with regard to the consultation responses outlined in Section 5, and the issues presented in Section 2 and the findings of the Sustainability Appraisal.

6.2 Overarching Spatial Strategy

The Strategy seeks to create an efficient, legible and rational use of the land in and around Kendal Canal Head and to improve the relationships and connectivity between individual areas and sites. This Spatial Strategy for Canal Head seeks to establish and deliver the Vision and Objectives for the area described in section 3.

The overall aim of the Spatial Strategy is to encourage an appropriate mix of uses across Canal Head in order to transform it into a vibrant quarter of Kendal, creating a Canal Quarter which is integral to the existing built form and character of the town. The Spatial Strategy provides a mix of uses which will regenerate Kendal Canal Head and maximise its location in the context of the Town Centre, Castle Hill, K Village and the Cultural Quarter and maximises the regenerative effect of restoring the Northern Reaches of the Lancaster Canal. This is achieved by creating an efficient, legible and rational use of the range of industrial, commercial, residential, leisure, recreation, food and drink and open space opportunities and by improving the relationships and connectivity between individual areas and sites.

The Spatial Strategy seeks to maximise the sustainability of the Canal Head area. The proximity of the Canal Head area to the town centre provides an important opportunity for integrated developments with a reduced reliance of the car. The high proportion of brownfield land, along with the central location, means that this is one of the most sustainable locations in Kendal.

The Canal Head area provides a key opportunity within Kendal to contribute towards the town's need for housing and employment. A range of housing types, including some affordable housing, will help provide homes for people in Kendal. The provision of new premises for new and existing businesses will help to ensure a supply of jobs for people from South Lakeland into the future.

The creation of a Canal Quarter is dependent on the restoration of the Lancaster Canal. It is understood that British Waterways is currently pursuing the restoration Phase 1 of the canal, from Canal Head to Natland Bridge. Whilst this length is longer than the canal through the AAP area, Phase 1 would not connect into the existing canal network. British Waterways has a longer term aspiration to restore the whole of the former Lancaster Canal to link into the existing canal network.

Under the overall principles described below, a Preferred Option Base Scenario, illustrated in Figure 6.1, and a series of Variations (explored in more detail in Section 7) have been proposed. These constitute the Preferred Options.

Given there is a risk that the canal may not be restored or that there may be significant ecological constraints on restoring the canal, consideration has been given to the type of

FIGURE 6.1

development that might come forward without the canal, while achieving as many of the AAP objectives as possible. Details of the “no canal” option are provided in Section 7.8.

6.3 Uses and Activities

Kendal Canal Head will be transformed into a vibrant Canal Quarter of Kendal which will comprise a fusion of uses and themes around Canal Head and the restored Lancaster Canal.

There will be an attractive mix of uses at the destination of the northern point of the restored Lancaster Canal, including hotel, public house/food and drink uses, specialist retail, interpretation facilities and landscaped outdoor areas for festivals, performance and meeting.

There will be a mix of housing in terms of size, design, tenure and management to reflect identified local needs, including 1, 2 and 3 bedroom properties. 30% of new homes would be affordable and affordable homes will be provided in line with the Council's affordable housing requirements, comprising 75% shared equity/discounted sale and 25% social rented. Family housing will also be provided. Affordable housing should be provided throughout the area and not in concentrated areas. Residential development shall take place in locations which maximise opportunities to access a range of local services.

Retail development within the AAP area will be restricted to that which does not threaten the viability and vitality of Kendal Town Centre nearby and shall comprise convenience retail opportunities for the residents of new residences in the AAP area, specialist retail associated with activities taking place within the area and retail associated with canal based activities such as boating, canoeing and angling.

A range of community facilities and activities, both indoor and outdoor, will be provided at Canal Head to serve the needs of local residents, including hard and soft landscaped areas. The existing allotments at the Canal Head would only be redeveloped if it was sufficiently demonstrated that it was necessary to generate a level of capital return to provide the range of community and regeneration benefits required; if this were so, then suitable alternative allotments would be sought nearby.

To diversify the town's offer and to establish a unique quarter with a vibrant mix of uses, specialist retail, food and drink, business activity and tourist facilities such as an hotel, interpretation facilities and outdoor space for exhibitions, specialist markets, festivals and performance shall be concentrated around Canal Head to the North of the AAP area.

High quality employment opportunities within Kendal Canal Head shall be provided, having regard to the Council's identified priorities and requirements, which include professional and technical occupations, arts and craft and research and development. Where appropriate, preference will be given to the retention of existing employers within Canal Head, even if this requires relocation within the Canal Head area.

6.4 Access and Movement

In order to ensure the site is integrated with the existing town infrastructure, the layout of, and access to, the development will seek to ensure that ease of movement to and around the site is optimised and that traffic movements generated by the site are minimised. In particular, careful consideration will be given to optimise access to key facilities such as public transport services, the town centre and community facilities.

6.4.1 Internal Movements

In order to facilitate efficient movement through and within the area, a network of well-connected and legible footpaths, cycleways, public realm and streets shall be provided. A canal towpath shall be provided along the length of the Northern Reaches through Canal Head and, where practicable, this shall be segregated for pedestrians and cyclists.

6.4.2 Links to Kendal Town Centre

The Canal Head AAP area is adjacent to Kendal town centre and therefore connection between the two areas is an important consideration of the AAP. Improved pedestrian and cycle signing between the two areas would provide better links between the two areas. The KeRAP report recommends the provision of additional pedestrian capacity between the area Canal Head and the town centre through the provision of a new pedestrian bridge or by reallocating roadspace on the existing bridge to pedestrians. The provision of this infrastructure would enhance pedestrian linkage between the town centre and the Canal Head area. Opportunities should also be sought to improve linkages with the riverside footpath as this is an important pedestrian and cycle route close to the Canal Head area and will linked to the town centre.

Important community facilities in the area include Kendal's Cultural Quarter on the south side of the town centre; employment opportunities in and around the town centre; and industrial areas to the north of the town. In designing an access and movement strategy for the AAP careful consideration will be given to the amenities of local residents, business operators and visitors. Consideration will also be given to transport links to connect K Village, Canal Head, Kendal Town Centre and the Cultural Quarter. This could be through a dedicated circular bus link and / or a marked pedestrian route.

6.4.3 Public Transport

The key public transport provisions in the area are Kendal and Oxenholme railway stations, Kendal bus station and bus routes along Aynam Road. The canal towpath would provide an opportunity to provide an attractive and safe cycling and pedestrian link along a large part of the route between the two railway stations. In particular, cycle access from Oxenholme Station to the development and through to the town centre would be enhanced by the development. Improved signing of the railway stations as part of the wayfinding strategy for the development would further enhance the accessibility of the development. Access to Kendal Station to the north would also be improved by the provision of appropriate signing, as the route between the development and the station is not immediately apparent at present, despite the distance being relatively short. The canal towpath and river walkway to the north would provide a predominantly off-highway pedestrian and cycle route to the Station.

Kendal Bus Station is located within the town centre and therefore measures to improve links between the development and the town centre would also allow for the provision of better links to the Bus Station from the Canal Head area. Bus services also run along Aynam Road and therefore there would be a need for pedestrian routes penetrating between the development and Aynam Road at appropriate locations in order to maximise the accessibility of these bus services. In particular, it will be important to link to the bus stops by New Road, Queen Katherine Street and K Village. It is not proposed to alter the routes of services through the area as there are no suitable routes through the site and the resulting delays are likely to be unacceptable to bus operators. However, as the development is implemented there is a potential for increased service frequencies along the route should the demand arise.

6.4.4 Vehicular Access

The development will be designed to be accessible to residents, employees and visitors via a variety of modes of transport. Particular attention will be given to more sustainable modes of transport such as public transport, walking and cycling. However, the access strategy also recognises that private transport will play a major role in the development, particularly in light of relatively high car usage in the South Lakes area as a whole. Therefore, vehicular access to the AAP area will be provided but the AAP will seek to minimise impacts on the local highway network and to maintain traffic flows and movement along Kendal's one way system at acceptable levels.

An appropriate level of car parking shall be provided to serve the development. This parking provision shall be designed and located sensitively within the development to

minimise visual disruption. The AAP will seek to minimise the number of new cars introduced to the area, potentially through reduced parking provisions and promotion of opportunities for car sharing/clubs. Parking would be provided across the development as a whole rather than concentrated at a single point to dilute the impact of the generated traffic. Enhanced links between the area and the town centre will also mean that some trips to the Canal Head would not be 'newly generated shared trips' but would be made up of people who already access Kendal Town Centre continuing their journey into the Canal Head area, many parking in existing town centre car parks and accessing the development by walking using public transport, walking and cycling.

6.4.5 Junction Capacity Analysis

In order to assess the likely impact upon the adjacent highway network, an assessment has been made of the likely level of impact upon the capacity of the site access junctions. Full details of this assessment can be found in Appendix F.

The assessment of the access junctions to the proposed developments has shown that the proposed level of development is appropriate for the local highway network. Bridge Street/Aynam Road is the only junction that is forecast to experience capacity issues due to the development generated traffic. Therefore, it may be necessary to provide mitigation measures in this location. However, the detail of the mitigation measures required cannot be fully ascertained until there is greater certainty over the level and nature of the development proposed within the AAP area.

All other junctions assessed should be able to accommodate the forecast volumes of traffic generated by the development. Depending upon the final level and nature of proposed development there may also need to be changes made to the Parkside Road/Lound Road junction; however, at present this is unlikely to be required.

6.5 Environment and Place Making

6.5.1 Introduction

There is an opportunity to rediscover Kendal's past and ensure that any new development proposals within the Canal Head area reflects the town's tradition and sense of place. An understanding of what has gone before (as described in the Baseline Report) is informative, providing a rich source of inspiration for both designers and planners.

The importance of Kendal as a medieval town, laid out with broad streets, narrow 'yards,' and remarkable bridges which cross the River Kent, needs to be reflected in the designs brought forward. Kendal today is well known for its tourism offer and serves as the gateway to the Lake District National Park. Its historic legacy tells of a thriving market town dedicated to the cloth and shoe-making trades, with a working canal linking Kendal and Lancaster which provided a focus for activity and facilities concentrated at Canal Head.

The Lancaster Canal was opened in 1797. It was used as the main network for transporting coal, limestone and agricultural products. A passenger service also ran between Kendal, Lancaster and Preston.

The opening of the railway to Kendal in 1847 led to a decline in canal traffic and the northern reaches of the canal towards Kendal were eventually filled in, in 1947.

A leisure walk and cycle way follow the historic alignment, with a number of fine bridges (such as the Change Bridge) still surviving today. The former canal alignment is characterised at its northern end by the industrial and manufacturing uses that still take place in this vicinity, which also now houses a recycling facility.

Two sections have been prepared that show the relationship between the Canal Head area and the Castle, River Kent and the local topography. These are shown on Figure 6.2.

6.5.2 Wider strategy

The environment and place making strategy is founded upon a number of key objectives:

FIGURE 6.2

Creating a mixed use destination

Restoring the first phase and ultimately the complete restoration of the Northern Reaches of the Lancaster Canal aims to regenerate the area by bringing forward new uses and lively vibrant activity to the canal so that it can once again be a hub of activity. The reintroduction of the canal and the re-use of the most important existing buildings re-establishes the area as a focus for waterside activity and promotes the area as a vibrant community and visitor destination. The introduction of more varied forms of water (and a mix of contemporary waterside development) supports the introduction of new uses and roles for the Canal Head, promoting new opportunities within Kendal that will help to fund the restoration of the canal, which is unlikely to be achieved without the level of regeneration activity proposed.

As a successful mixed use neighbourhood, the area will continue to support existing businesses as well expanding the range of employment opportunities available through the provision of flexible business and employment space offering a range of sizes and formats across the Canal Quarter. New waterside environments will cater for a wide range of uses providing (for example): space for local businesses; artist studios; and space to provide training and business support facilities. More traditional employment uses could also be located to areas south of Parkside Road in close proximity to the established Parkside Business Park.

Those enjoying the canal side environment will also be provided with ancillary retailing and leisure facilities including cafes, family restaurants, and a new hotel.

Other areas of the quarter are designated for living and leisure. As part of a new extended residential neighbourhood the quarter will also provide a full range of affordable and family housing and other amenities such as small scale community gardens (incorporating for example wildlife areas, allotments, or orchards; and a range of community facilities) and a network of open spaces.

Creating value to help fund and support the restoration programme

A number of options were prepared in earlier stages of the Area Action Plan to establish the level of transformation that would be required to achieve a sustainable new mixed-use canal quarter.

The Preferred Options consider what needs to take place in order to create value and ease delivery of the restoration programme whilst also balancing the need to conserve the area's assets and enhance the area's visual and amenity value.

Conserving the area's historic assets

The extensive historic characterisation analysis sponsored by English Heritage/Cumbria County Council Urban Survey (EUS) and the Kendal Conservation Area Draft Appraisal (KCAA) undertaken by SLDC has informed the proposals along with other information (as referenced in the Baseline Report). The analysis ascertains the needs and merits of retaining individual buildings and other historic assets associated with the area. The Canal Head and Canal Head East character areas do not include any listed buildings. However, there are several surviving local buildings and features which date back to the time when the canal wharfs were first in use. Those that possess some notable architectural or historic importance in this local context, where feasible, are to be restored and / or re-used. SLDC's has extended the existing Conservation Area boundary to include the whole of the Canal Head area.

Within many areas of the Canal Quarter, there are also some buildings and spaces, which are identified on the Architectural Quality maps (see KCAA) as having a damaging or harmful impact on the special interest of the adjacent Conservation Area. These sites consist of individual or groups of buildings that display a poor choice of construction materials, weak design characteristics, or inappropriate scale. The environment and place

making strategy takes every opportunity to remove these, whilst also understanding the need to maintain the area as a 'working neighbourhood' and a local employment hub.

A plan indicating those heritage buildings that should be retained is included as Figure 6.3.

As identified in the KCAA, two large, natural, physical features dominate the character of the Canal Head underpinning its character and spatial framework: the River Kent, which forms a solid edge to the west side of the AAP area; and the long, wide ridge upon which Kendal Castle is situated, which marks the eastern boundary to the Conservation Area.

However, the northern edge of the area also includes two large-scale industrial workings (the industrial sheds forming the Gilkes works and similar scaled buildings within the Castle Mills area). There is also an unsightly recycling plant, which detracts from the quality of the Conservation Area setting. The removal of these impacts and the promotion of high quality urban design and landscaping will enhance the visual amenity value of the Canal Head area along with improving the setting of the Castle and retaining its setting and prominence. Nonetheless, heritage features associated with the original operation of the canal should be retained and integrated into developments, where appropriate.

Addressing barriers to movement

Historically, the route of the canal (which now forms a very important footpath and cycle link from the Canal Head southwards) once created a solid physical barrier limiting movement either eastwards or west. Pedestrian movement is also very limited from west to east in the immediate vicinity of Parkside Road where a number of industrial and storage facilities have been built up along the route of the former canal.

In addressing these barriers to movement:

- Within the Canal Head Core to the north of the AAP area, the Preferred Options propose an additional new footbridge aligned along the centre line of a key view of the castle, which is protected from development. This would open up further routes between the Castle and the Town Centre whilst also improving the visibility of the Castle.
- In the Parkside Road area, demolition and removal of the industrial premises will considerably improve movement, whilst a new bridge (which is proposed at Parkside Road) will continue to maintain east-west connectivity following restoration of the canal.

Canal restoration

A feasibility study undertaken by British Waterways examined the technical issues associated with restoring the canal determining its broad alignment and construction. The Preferred Options incorporate these proposals with a number of refinements, which are included to create attractive waterside development opportunities and improve the viability and delivery of a sustainable waterside location.

The strategy regarding the alignment and restoration of the canal broadly follows the historic alignment of the original canal with the following exceptions:

- At the Canal Head Core terminus, where anything other than a partial reinstatement of the original alignment would limit the development potential at a key location, as well as restricting vehicular access and servicing arrangements to other areas of Canal Head core;
- Within the southern area of the Canal Head core, where a new canal arm and esplanade is proposed to create an additional focus and some further waterside development opportunities, where residents, workers, and visitors can enjoy a sunny location adjacent the water. This area would become a focus for family restaurants, visitors, and a daytime and evening attraction for local residents and workers.

FIGURE 6.3

- In other places a softer edge has been introduced to promote and improve the site's waterside habitats and visual amenity value, whilst also accommodating an events area and pedestrian links to the castle. Within the Canal Head East area for example, realignment of the towpath will create areas of wetland and add interest to the proposed urban park, whilst also helping to create secure and attractive visitor mooring facilities.

Elsewhere, the canal will be restored upon its authentic line and has been designed to evoke some of its original character. The canal restoration proposed in the British Waterways feasibility study uses a concrete structure to form the canal channel, with excavated edge copings and other found features re laid to create a visually authentic canal edge, which will also meet current standards in terms of safety, sustainability criteria, and operational needs.

Creating a quality public realm and promoting high quality design

The Preferred Options establish a unique quality of place in the canal quarter that will complement other areas of the Town Centre. Improvements in the quality of the public realm in this area will also make it more accessible from the town centre helping to establish the area as a convenient location and a natural extension to Kendal Town Centre. The Preferred Options present place-making ideas for the creation of a new attractive public square to welcome visitors into the area and help them to familiarise themselves with the history of the canal and the restored buildings before exploring the wider network of streets.

The Preferred Options will improve the physical environment (including the quality of existing streets) to provide safe, secure and well populated streets.

The character of Kendal's existing streets and traditional 'yards' will be introduced into the area creating a permeable urban structure and a familiar and appropriate layout of existing streets that are in character with other parts of the town.

Proposed and existing streets will be connected to form a permeable and pedestrian friendly network of streets in line with current best practice and the recently published Manual for Streets (March 2007). A commonly seen arrangement of streets laid out at right angles to the town's waterways will be incorporated where seen as desirable.

General improvements, including the introduction of new footpath routes, and improvements to the existing leisure and cycle route (which will be incorporated along the eastern canal towpath) will also establish stronger inter area links, promoting a healthier life style and encouraging a more active community.

The principal open spaces, including the Cemetery and Castle Hill will be protected and enhanced. New development will respect the local environmental and ecological constraints, including the River Kent Special Area of Conservation and Castle Hill, and will seek wherever possible to mitigate impacts and promote opportunities to enhance the local environment.

A high quality natural and built local environment, including open spaces and public realm, will be created which is sensitive to the area's location and setting and which promotes community interaction, passive recreation, physical recreation and biodiversity.

The strategy for restoring the Canal Head area proposes a layout and design approach that celebrates the area's unique location between two contrasting bodies of water and its close association with the more rural landscapes, which feature to the east of the site. The waterside environment and townscape proposed in the Preferred Options also establishes strong relationships with the surrounding landscape recognising in particular the significance of parks such as Fletcher Square and the more natural landscape and woodland plantings in the area beneath Kendal Castle. These features are used to help establish the location and reinforce the area's unique sense of place.

The longer term management and maintenance of the open space will also be considered from the onset in order to safe guard the investment and value placed upon the landscape and site features in the Preferred Options.

7 Character Area Strategies and Development Proposals

7.1 Introduction

The AAP area has been separated into six character areas exhibiting their own distinctive character, from high density, lively and vibrant, mixed use areas, to more relaxed, quieter areas of lower density family housing, as illustrated in Figure 7.1:

- Aynam;
- Kendal Canal Head;
- Canal Head East;
- Parkside Road North;
- Fletcher Square; and
- Change Bridge.

Each of the six character areas within the AAP adds something different to Kendal's offer, and enhances the overall holistic value of the Canal Head development. This section of the report therefore takes forward the Spatial Strategy outlined in Section 6 by interpreting the Preferred Options concepts on a site by site basis within each of the six character areas. Commentary is provided for each of the character areas in terms of uses and activities, access and movement, and environment and place making, all within the context of the Vision, Objectives and Spatial Strategy.

As this is a Preferred Options Report, a number of variations to the 'Preferred Option Base Scenario' have been considered. These variations particularly relate to the option to allow partial or total redevelopment of the allotments in Fletcher Square, and the composition and scale of employment land provided in the Change Bridge character area. The effect on these variations on the spatial strategy for each area is summarised in the appropriate sub-section.

It should further be noted that an element of affordable housing, equal to 30% of the total number of residential properties developed, has been provisionally put forward for consideration on the basis that a lower proportion of market housing (as required by IPATH) would render several of the proposed non-residential schemes unviable, hence the wider regenerative benefits of restoring the canal would not be achieved. More detail on this issue, and also the variations explored with regards to the composition of the affordable housing mix (particularly the ratio of apartments to houses) is discussed in detail in Section 8 and Appendix A.

The Spatial Strategy described in Section 6 (and illustrated in Figure 6.1) is now described further with reference to Figure 7.1, which provides an illustration of the character and form of development each area could support. Figure 7.2 provides further detail and shows indicative plot areas to which the variations to the Preferred Options Base Scenario apply. Sections 7.5 and 7.7 and their accompanying figures respectively explore the spatial Variations within the Fletcher Square and Change Bridge areas.

The Preferred Option Base Scenario assumes the restoration of the Northern Reaches of the Lancaster Canal. In recognition that this is by no means guaranteed, a variation whereby the canal is not restored is described in section 7.8.

7.2 Aynam

7.2.1 Vision

The Aynam character area, exemplified in Plate 1, is a key gateway site, situated between Kendal Town Centre and the Canal Head itself. Figure 7.3 illustrates the proposed

FIGURE 7.1

FIGURE 7.2

FIGURE 7.3

characteristics of the Preferred Options for this character area. Aynam will provide a transition between the core of the canal quarter and the town centre uses. Consequently, a key feature that will be essential to the success of this area will be the range of visual and physical linkages and blend of uses, with appropriate design, signage, sightlines and safe, attractive pedestrian routes combining to encourage substantial pedestrian/cycle movements between the Town Centre and Canal Head.

Plate 1: Aynam



7.2.2 Uses and Activities

This area has the lowest range of interventions in the AAP area. A large number of the existing businesses and residential properties will be retained *in situ*, with the majority of improvements focusing on improving the existing streetscape and improving accessibility through the area. However, there are some development opportunities (Table 3), with the potential for 8 residential apartments on site 2B and the potential for live/work residential/craft workshop units at site 2A. These workshops, providing ground floor uses of character, will help encourage pedestrian movement between Kendal Canal Head, the River Kent and Town Centre beyond.

Table 3: Summary of Uses –Aynam

Option	Plot Number	Land Use	Floorspace / No. Units*
Preferred Option Base Scenario	2A	Conversion to live work / retail units	5 residential apartments 489m ² B2 / craft units
	2B	Residential	8 apartments

*Note: The figures provided are indicative and subject to change.

7.2.3 Access and Movement

Only minimal development is proposed within the Aynam area and therefore the area would generate very little traffic in itself. However, the area would serve as the 'gateway' into the development. As a result of the town centre one-way system, most vehicular traffic would arrive across Miller Bridge within the Aynam area. Vehicular access to the area would be facilitated along Aynam Road towards the southern end of the AAP area and along Bridge Street to the northern end of the AAP area.

As the intermediary area between Canal Head and Kendal town centre, the area would play a key role in linking the two. Providing coherent pedestrian and cycle links between the two areas through appropriate routes and signing would be the area's key role. The primary bus stop for the whole of the Canal Head area is located within Aynam near to Queen Katherine Street. Pedestrian links from this bus stop to the Kendal Canal Head shall be provided through the Aynam area to increase the accessibility of the whole development.

7.2.4 Environment and Place Making

The charming character of Aynam will be retained and enhanced to create a strong first impression and lasting memory of Kendal Canal Head. Those visiting the area from the town side will firstly experience the quality views of the river and the bridge itself, which will be enhanced through improvements to the pavements, lighting, and signage. Passing over the bridge, visitors will see Aynam Road with its strong promenade of sweeping Victorian terraces, with the filtered views and mature trees much admired by Pevsner (see KCAA).

Passing into the Aynam Road area, the tightly knit streets open out into a pleasant parkland setting formed by a triangle of green space bounded by mature trees. The quality of the space will be enhanced through additional planting but some parking spaces are likely to be retained for local businesses.

The small wooden pavilion to the north east of the area could be removed allowing the youth group to relocate – assuming that space can be provided by the waterside - allowing the youth group to relocate their activities to a convenient location with good access to open spaces and other facilities. The riverside parkland setting at Goose Holme will be extended into Aynam allowing residents and visitors to move freely between the two areas.

Aynam's locally important buildings will be retained and restored. Subject to detailed surveys and site investigations this would ideally include retention of the existing buildings forming the Castle Mills complex, which if renovated could provide a mix of business and residential uses, creating a small creative / living quarter close to the heart of the canal core.

Plate 2: Aynam Opportunities



Subject to detailed considerations, the old mill could be reused for local artisans who would be provided with workshops and a frontage facing on to the proposed canal boulevard (see Section 7.3.4) where they would be able to take advantage of the passing visitors and workers. New infill development would also replace the unsightly workshops and help to strengthen the sense of enclosure which is a strong feature of other parts of this area.

Pedestrian friendly hard surfaced public spaces will encourage movement through the area with the majority of the vehicular traffic retained in the north part of Canal Head. Additional tree planting will be introduced to promote urban biodiversity, shading and greenery.

Housing provision in the north of the area will be met through the introduction of apartments and the conversion of existing properties where there will be a seamless transition between existing and proposed housing areas.

7.3 Kendal Canal Head

7.3.1 Vision

The restored canal would form the northernmost point in England's canal network. Kendal Canal Head will evoke a celebration of the very best of what England's inland waterways have to offer. With a legacy of buildings and artefacts (some of which survive today from the mid 1800s) Canal Head has many fine buildings (as exemplified in Plate 3), which will be integrated within a vibrant, mixed use and family friendly canal quarter.

Figure 7.4 illustrates the proposed characteristics of the Preferred Options for this character area. The Canal Head will accommodate leisure facilities and a hotel, as well as office and workshop accommodation for Kendal's entrepreneurial businesses. The area will act as a magnet for tourists and will help to boost the wider offer available in Kendal, encouraging visitors to stay for longer periods of time through the introduction of destination-related activities that will help to animate the area.

Historic buildings that add to the character and charm of the area will be sensitively restored and put to appropriate use within the context of the regeneration of the wider area. High quality mixed use development will be sensitively introduced into the area, creating a new branded waterside destination. There will be excellent links to the town centre and many fine views of the Castle, which sits above and defines the area. New apartment accommodation (many with views to the Castle and the Canal) for sale and rent, offers greater housing choices in Kendal for younger and older local residents.

New high quality, waterside public open space completes the Canal Head, providing a place for residents and visitors to relax and enjoy the canalside location. This open space enhances the setting for residential and commercial development, and increases the appeal of the area for visitors.

With space for visiting canal boats to moor, the restored canal will support and enhance Kendal's tourist trade and create a new Kendal and Lake District event destination.

FIGURE 7.4

Plate 3: Kendal Canal Head

7.3.2 Uses and Activities

The Kendal Canal Head character area represents one of the best opportunities remaining for a major mixed use brownfield land development in the town. Table 4 presents a summary schedule of uses for the Kendal Canal Head character area.

The area would include a large number of new, mixed tenure residential apartments, however to ensure diversification of the facilities on offer, and to avoid being overly dominated by apartments, active ground-floor uses are planned that include niche and specialist retail. Such uses will add to the vitality of the area, providing for local residents' convenience retail needs whilst supplementing the town centre's own specialist and niche retailing. The energy and vibrancy of Canal Head will be underpinned by a strong element of family dining, entertainment, and food and drink offer. New offices will ensure life and activity in the area during the daytime, outside peak holiday season and during the week, and a new hotel will complete the development at the Canal Head.

Table 4: Summary of Uses – Kendal Canal Head

Option	Plot Number	Land Use	Floorspace / No. Units*
Preferred Option Base Scenario	1A	Mixed Use: Residential Mixed Use: Retail Mixed Use	91 residential apartments 1112 m ² A1-A4 retail provision 2000m ² B1 office provision
	1B	Mixed Use: New Hotel Mixed Use: Residential Mixed Use: Retail	1,658 m ² new hotel accommodation 67 residential apartments 2018 m ² A1-A4 retail provision
	1C	Residential	63 residential apartments
	1D	Mixed Use: Residential Mixed Use: Retail	36 residential apartments 1540 m ² A1-A4 retail provision
	1E	Mixed Use: Residential Mixed Use: Retail Mixed Use: Office	76 residential apartments 2000 m ² A1-A4 retail provision 600m ² B1a Office
	1F	Open Space	

*Note: The figures provided are indicative and subject to change.

7.3.3 Access and Movement

Given that this area would have the highest density of development it is likely that it would generate the greatest volume of traffic and would thus potentially have the greatest impact on the local highway network. Vehicular access to the area would be facilitated via Bridge Street via the town centre one-way system. There is the potential to access some parts of this area using alternative routes, such as Queen Katherine Street; however, all traffic would have to use Miller Bridge, one of the bottlenecks in the town centre transport network.

Internal access roads should enhance the pedestrian environment and prevent car-dominated spaces from being created. This would be achieved through embracing best practice such as the Manual for Streets, designing high quality pedestrian infrastructure into the area and by limiting on-street parking by using undercroft and basement parking.

Given the pressure that increased traffic would place on the highway network opportunities should be explored to encourage pedestrian access to this area from the town centre by providing enhanced routes. Efforts to link the area to the town centre would potentially reduce the number of vehicle trips to the area as more people would be encouraged to walk from the town centre. Similarly residents, employees and visitors from Canal Head would be encouraged to walk into the town centre, reducing the number of vehicle trips generated by the various developments.

Key pedestrian links to be promoted from this area include links to Kendal Rail Station, the town centre and onto Aynam Road for connecting bus services. There is a bus stop located near to the area at Queen Katherine Street. Given the mixed-use nature of this area, there would be a significant number of linked trips between the developments as people would be encouraged to live, work and relax in the Kendal Canal Head area. Therefore, pedestrian routes through and around the area should be provided. The public uses provided within this area for leisure and retail would also benefit from enhanced pedestrian penetration.

7.3.4 Environment and Place Making

A new public square creates a dramatic gateway into the high quality and distinctive Canal Head Basin offering residents, workers, and visitors their first glimpse of the new waterside quarter.

Plate 4: Leisure and Recreational Opportunities



The new facilities, signage and exhibits would provide the background to the area's history and its subsequent decline and redevelopment providing informative guidance on the original layout and restoration proposals. Information points about wildlife linked to the canal head and the River Kent could also be provided throughout the square.

A new visitor and interpretation centre is located to the east of the area where retention of some of the original canal side buildings and structures help to recreate some of the former canal basin character. Subject to detailed surveys and site investigations this would ideally include retention of the western and northern facade of the Gilkes building and the distinctive chimney and out buildings.

Plate 5: Potential Features of a Visitor and Interpretation Centre

This Preferred Option would involve the historic restoration of most of the northern canal arm, with the terminus of the basin picked out as a decorative interactive water feature forming part of a feature within the new square.

Plate 6: Potential Interactive Water Feature at the Canal Head

The justification for partial restoration of the northern canal arm is based upon a number of factors:

- Firstly, the need to cross the historic route with an access road, which is required to serve the proposed and existing developments to the south of the Canal Head basin. Incorporating a lifting bridge is not economically viable. For these reasons the canal arm is terminated at the point of the proposed access road, as illustrated in Figure 7.4. Focusing vehicular traffic to run north south also allows the creation of pedestrian friendly boulevards running east to west. The restored section of the canal arm also provides a second route for pedestrians in the same direction.
- In addition there is also a desire to retain land within the gateway area to accommodate basement car parking and also to create a gathering point where people can orientate themselves and discover the history and opportunities on offer within the

canal quarter. The car parking would be located beneath the proposed square, which is a further justification for not reconstructing the canal at the western end.

- Canal Head North remains open to traffic. The proposed solution also provides an opportunity to create good visual linkages between the existing mills situated along Canal Head North and the new square, which can draw in and absorb large numbers in a safe and open environment.
- A new square as opposed to a reconstructed canal provides a flexible space for holding events and for gathering visitors in larger numbers.
- Finally the canal (lying immediately to the north of the proposed buildings) would be largely in shade.

A new high quality, 40 bedroom hotel is proposed to the north of the restored canal providing visitors with a unique setting looking down the length of the canal with views of the historic canal and the castle lying to the east.

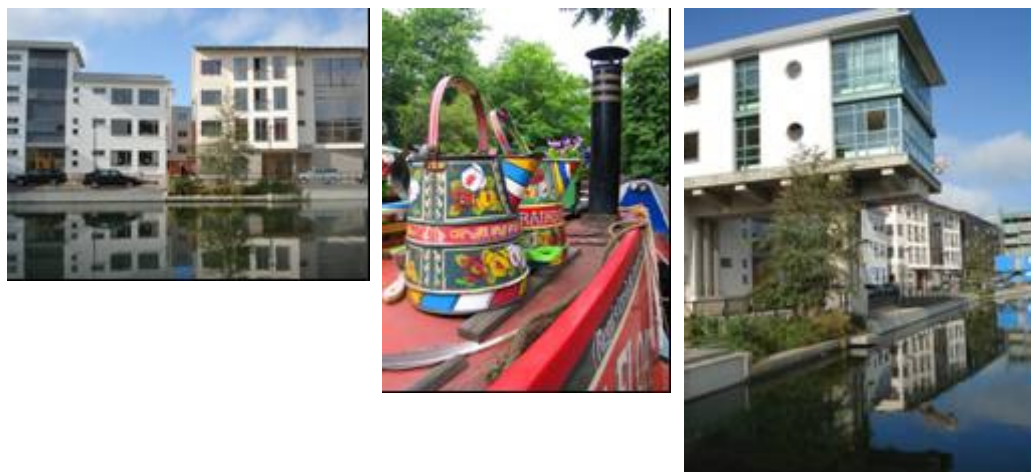
To the east of the canal a new urban park will be created which incorporates a sinuous new cycle way and footpath adding interest to journeys. A new amphitheatre shaped out of the rising ground would form a focal point at the southern end of the linear park providing an area for impromptu events and organised festivals and gatherings. A new pedestrian bridge would span the canal, aligned to draw visitors towards the Castle, which sits prominently on the high ground to the east.

Plate 7: Potential Biodiversity Measures at the Canal Head



The proposed canals are typically 1.5m deep and 12m wide providing sufficient water channel for boats mooring and passing. Specially widened sections of the canal would allow boats to conveniently turn round. The margins of the water body would be extended eastwards to create special shallow areas of water that are capable of supporting wildlife and a more diverse and varied habitat, as illustrated in Plate 7.

Along the eastern side of the canal a green space is proposed, providing a softer setting of the development. The canal will have smaller break out areas that gives it a softer edge. Within the green space would be an event space accessed by an additional footbridge. The event space is a landscaped extension of the linear square east of the canal and contains an open air theatre and views and footpaths to the castle. Along the canal, a range of formal and informal green space is provided with some areas dedicated to play and also wildflower planting to promote biodiversity. Quieter areas are also set aside for visitor moorings with their own enclosed access points close to the Canal Head hub.

Plate 8: Canalside Living at the Canal Head

A new canal arm is proposed running at right angles to the reconstructed canal with a wide boulevard to its north creating an ideal location for restaurants, offices and new residential apartments. The new boulevard creates a long linear space with footfall and movement drawn by the unfolding views of the Castle towards the canal and the new footbridge.

Restaurant barges and business barges could be permanently moored along the canal, which would be handsomely lit and enhanced through street trees and carefully arranged contemporary street furniture. Short stay car parking and loading areas would also be sensitively incorporated in ways that would prioritise pedestrian based activities.

High quality public realm and the lively promenade with bars, restaurants and outdoor seating areas will ensure the Canal Head as a destination for activities and events.

Within the southern parts of the Canal Head core, new residential / mixed use developments will adjoin the existing terraces re establishing the character of the traditional Kendal 'yards', whilst also improving the security and character of the existing neighbourhoods through the incorporation of home zone style streetscape improvements.

Overall, the proposals take the opportunity to remove buildings that are characterised as having a damaging or detrimental impact on the special interest of the surrounding conservation area. Their removal will also allow improvements to be made to the setting of the more attractive unlisted buildings, which are also retained (and make a positive contribution to the special architectural interest of the area). A number of other unlisted buildings would be retained including the old Gilkes factory chimney (and some of its more visually pleasing out buildings). A further level of investigation and detailed design exercise would however be required to determine their potential for refurbishment and reuse. Other factors such as access requirements and engineering considerations would also have to be fully considered before undertaking to restore these buildings. The initial assessment of heritage value and conservation needs is based upon the field work carried out by SLDC (see the Kendal Conservation Area Character Appraisal Report, September 2007).

Three illustrative sketch views have been produced that demonstrate some of the key principles underpinning the development in the Canal Head. These three sketches are included with this report as Figures 7.5-7.7

Figure 7.5 – View 1 shows the view looking east towards the castle from the proposed new urban square at Canal Head. Visitors (arriving by vehicle or walking in from the town centre) will see their first glimpses of the restored canal network, which includes partial reinstatement of the original canal arm at the terminus.

The careful arrangement of buildings and open spaces will establish a sequence of views that will lead people towards the restored canal and other important assets such

as the castle, which is dramatically framed in this view.

A striking new public square will offer people the chance to stop and dwell within a delightful new canal side quarter, which will include interpretative boards explaining the area rich history located within a visitor centre.

The setting of a number of valued existing buildings has also been improved through the arrangement and layout of the proposed streets, gardens and squares. The old Snuff factory and the mill buildings found along Canal Head North will be clearly visible from the new square around which will be arranged new buildings of the highest quality.

Vehicles and servicing arrangements will be sensitively introduced placing great emphasis upon the quality and experience for those visiting, working or living in the area.

The design and layout of the buildings will be subject to further detailed design work but the aim should be to create a contemporary, striking design, which celebrates the best of the old and new through the use of local materials and design approach, which recognises the local character and Kendal's distinctive quality of place.

Figure 7.6 - View 2 provides views of the second canal arm which would provide additional waterside development opportunities with excellent views of the castle and high quality landscape.

The proposed spur is aligned at right angles to the main restored canal and forms part of a wide new canalside boulevard. The boulevard will become a focus at the heart of a new mixed use neighbourhood – a perfect for family restaurants and new businesses with opportunities to incorporate residential apartments on the floors above giving the new residents excellent views of the waterway and the surrounding landscape.

The street is wide enough to accommodate outdoor spaces (for street markets and waterside dining) with ample provision for short-stay car parking (and servicing). The mix of uses proposed and the waterside setting will ensure that the area remains vibrant and active throughout the day and into the evening.

The water could be animated through the location of static restaurant/ business barges. Areas should also be included to encourage people to get closer to the waterside as illustrated in the sketch view.

Figure 7.7 - View 3 illustrates the general arrangement and scale of the development proposed across the Canal Head as seen from Kendal Castle. The canal and riverside are prominent features with the town and the surrounding hills remaining visible in the distance.

The main canal waterway passes north to south with the new canal boulevard - and the proposed events area - visible below the castle. A new pedestrian bridge is proposed at this location creating a new link between the town and the castle encouraging full use of the area's leisure amenities.

The proposed massing of the new buildings complements the character and scale of the retained existing buildings. New landmark buildings are proposed at key locations and the setting of existing feature buildings is enhanced through the introduction of new green space and a new urban square at Canal Head, which can be seen in the sketch.

Key features such as the mill chimneys and the restored buildings and canal network will help to re establish the area as a distinctive waterside neighbourhood and a natural extension to the town centre, which lies close to the west of the area.

FIGURE 7.5,

7.6,

7.7

7.4 Canal Head East

7.4.1 Vision

Figure 7.8 illustrates the proposed characteristics of the Preferred Options for this character area. Carefully arranged on the lower slopes adjacent to the Castle (a Scheduled Ancient Monument), this high quality residential development strengthens the setting of the canal as a new urban waterside destination. The development is sensitively set within the context of the surrounding historic landscape (see Plate 9), with important views between Kendal town centre (to the west) and the Castle (to the east) preserved and sight lines enhanced. The area also includes a significant amount of quality green space linked to the canalside park and events area at the Canal Head, providing residents and visitors alike with views through to the Castle and to the bustling canal head nearby. The requirements of Kendal Ski Club are respected and no development is proposed for the area currently used as car parking for this popular local attraction.

Plate 9: Views to (and from) the Castle



FIGURE 7.8

7.4.2 Uses and Activities

Table 5 provides a summary schedule of land uses within the Canal Head East character area. As indicated below, this area provides an opportunity for 78 medium density residential houses suitable for families and 39 higher density apartments fronting directly on to the canalside. This incorporates properties for sale, rent and shared ownership, to facilitate a mixed and sustainable community suitable for all ages.

Enclosed basement and semi basement car parking will ensure that this key site is not dominated by surface parking. As a result of the greater surface area available, a substantial amount of high quality green space is provided, and sight lines to the canal and the Castle are preserved and enhanced.

Green space will be designed to link with the canalside open space at the canal head and provide a high quality public park for the new play spaces would also be constructed in areas away from the waterside.

Table 5: Summary of Uses - Canal Head East

Option	Plot Number	Land Use	Floorspace / No. Units*
Preferred Option Base Scenario	3A	Residential Parking	24 apartments Kendal Ski Club Car Park
	3B	Residential	15 residential apartments and 54 houses
	3C	Open space	
	3D	Residential	24 houses

*Note: The figures provided are indicative and subject to change.

7.4.3 Access and Movement

As with Kendal Canal Head, the only practical access to this area is from Bridge Street. Therefore, the nature and quantity of development in this area could significantly affect the operation of Miller Bridge and the one-way system around the Bridge Street area. It may be possible for some of the properties in this area to be accessed from Parr Street. However, this is only likely to apply to a limited number of the developments and traffic would still need to use the one-way system and Miller Bridge and therefore the benefits to traffic flows on the one-way system would be minimal. However, it may provide some dilution of traffic and have benefits to junction capacity. Access to Plot 3D has therefore been provided via Parr Street.

Internal street design will embrace the latest design principles and best practice, such as Manual for Streets. The predominantly residential nature of the area and lack of vehicular through routes would assist in making the area a pleasant pedestrian environment. Key external pedestrian links include Kendal Rail Station, the Castle and the town centre. As the area is predominantly residential, pedestrian penetration would be largely focussed on residential access and pedestrian through routes would not be encouraged although they could be provided if necessary.

Access to the Ski Club to the north of the area, and car parking facilities for this popular attraction, would be preserved.

7.4.4 Environment and Place Making

Canal Head East is located between the Kendal Canal Head and the Castle. The area provides a wide range of family and affordable housing laid out in smaller residential streets. The housing is arranged around communal courtyards perpendicular with the town's waterways, linking into the existing and historic street patterns. The streets are aligned with

tree planting linking the surrounding woodland area with the Canal Head. The streets are also arranged to set up impressive views of the castle offering impressive vistas, from across the canal to the west. Further pedestrian links are provided across the canal and all existing pedestrian and cycle routes along the canal alignment are retained and overlooked by the new development providing safe access and use.

To the south larger family properties are designed to reflect the Parr Road houses by stepping up the hill towards the Castle fronting on to the proposed and improved green space. All the residential areas will promote the use of permeable surfaces within the paved areas and the use of green roofs will help to manage the water environment, whilst also softening views towards the castle.

We have prepared two sections that illustrate elements of the Preferred Option Base Scenario.

Figure 7.9 explores the possibility of incorporating communal garden spaces and undercroft car parking, which would utilise the natural changes in level across the site. The residents' gardens could accommodate areas for growing herbs or fruiting trees building on the town's strong gardening traditions and once again re defining and evoking the traditional Kendal Yards. The ideas are explored in both section and plan with the plan also showing ideas for visitor moorings.

Figure 7.10 provides a section relating to the Canal Head, Aynam, and Canal Head East looking north along the line of the proposed canal arm.

The section demonstrates how well the development will fit within the surrounding context. It identifies the key features across the site including the River Kent, the Castle, and the proposed canal as well as the scale and massing of the proposed development, which responds sensitively to its context. The section also identifies the principles for stepping the profile of the buildings to respond to the site levels whilst also establishing principles for incorporating car parking. The illustrations also show the flavour and style of the proposed development, which responds to the local vernacular through the articulation of roof lines and the incorporation of balconies and extruding bay windows, which is a contemporary re interpretation of local building styles.

FIGURE 7.9

FIGURE 7.10

Plate 10: Recreational and Biodiversity Opportunities at Castle Walk**7.5 Fletcher Square****7.5.1 Vision**

The allotments at Fletcher Square provides a valuable community resource for Kendal and provide the opportunity to encourage more sustainable, healthier greener living. Bounded by open space, the restored canal and with appealing views of Kendal Castle, this important site (illustrated in

Plate 11) to the north of the cemetery will continue to offer local Kendal residents the opportunity for locally grown food, healthy outdoor exercise and social interaction. These well used and well regarded community facilities provide a contrast to the busy canal head and new residential developments in the rest of the AAP area.

Figure 7.11 illustrates the proposed characteristics of the Preferred Options for this character area.

Plate 11: Fletcher Square

The Preferred Option Base Scenario recognises the value placed upon the allotments by local people, and preserves them. However the site does provide the opportunity to develop a very high quality, mixed tenure residential neighbourhood in the AAP. Consequently two Variations which develop some or all of the allotments have been considered. Figures 7.13 and 7.14 illustrates the proposed characteristics of the Preferred Options for this character area were they to be developed in part or in full for new housing. Should new housing be built in this area, high standards of design will reflect its important location in the shadow of the castle and the Canal. It would also be a lower density development, giving this character area a real sense of space and tranquillity. New development provides an opportunity to improve the boundaries of the park and enhance the existing green space, whilst also reducing the impact of the Transco Gas Site.

Variation 1 – Partial development

The Preferred Option Base Scenario would retain all the existing allotments, However development of some but not all of the allotments would allow a small, but high quality development of family houses to be provided with canal views, while also allowing a proportion of local residents to retain and reinvigorate their current allotments and incorporate easy access to open space. Under this Variation, those local residents who

would lose their allotments would be provided with a suitable alternative nearby where possible. The Open Space Strategy currently being undertaken by SLDC will help to identify potential allotment sites in the vicinity.

Variation 2 –Total Development

The second Variation to the Preferred Option Base Scenario for the Fletcher Square character area would involve redeveloping all of the allotments and developing a high quality mixed tenure residential neighbourhood, with high standards of design. Again, all local residents who would lose their allotments would be provided with a suitable alternative nearby where possible. The Open Space Strategy currently being undertaken by SLDC will help to identify potential allotment sites in the vicinity.

7.5.2 Uses and Activities

The Preferred Option for Fletcher Square will see no change from its existing use as a local allotment site and the area would continue as well regarded and highly valued allotments for local people.

Variation 1 –Partial development

Variation 1 would provide a small number of new homes while preserving the majority of the allotments. 23 canalside family dwellings (including both market and affordable dwellings) would be provided close to the heart of Kendal and the restored Canal Head.

Variation 2 – Total Development

Variation 2 would provide a high quality, low density location for 71 family dwellings, just a short walk away from the canal head and Kendal Town Centre.

Table 6: Summary of Uses – Fletcher Square

Option	Plot Number	Land Use	Floorspace / No. Units*
Preferred Option Base Scenario	4A and 4B	Allotments	
Variation 1	4A	Residential	23 houses
	4B	Allotments	n/a
Variation 2	4A and 4B	Allotments	71 houses

*Note: The figures provided are indicative and subject to change.

7.5.3 Access and Movement

Under the Preferred Option Base Scenario, there would be no development in the area and few implications for access and movement. However, were either of the Variations adopted and new homes built there would be some limited traffic impacts. Potential development in this area is bounded by Fletcher Square to the north and the Cemetery to the south. Therefore, there are only limited opportunities for vehicular access in the area. Access is therefore likely to be afforded from Sunnyside/Parr Street along the line of the existing track to the west of Fletcher Square. Should housing development take place this track would need to be upgraded and this is also likely to require some level of widening. Alternatively a new access could be constructed at the end of Parr Street that would run along the east side of Fletcher Square. A combination of the two alternatives could be considered using a one-way loop which would reduce the requirements for widening to the west.

Under both Variations relatively low housing densities uses proposed, and this would be reflected in the parking provision. Therefore, even with total redevelopment of the allotments, the area is unlikely to generate significant volumes of traffic and is unlikely to have a significant impact upon the local highway network.

Key pedestrian and cycle routes would primarily be along the canal towpath. Pedestrian links to the Castle are also important and are provided from the end of Parr Street.

Pedestrian connections to Fletcher Square would be provided to connect the development with green spaces.

There is a Transco site to the south west of the Fletcher Square area. We understand that access to this area is currently afforded either along the towpath or from the North West Electricity Networks Limited land on the opposite side of the restored canal depending upon the vehicle size. Were the whole of the allotments to be developed, the second of these access routes would no longer be available as the North West Electricity Networks Limited land would be replaced by green space and the restored canal would sever the two pieces of land in any case. Access along the towpath would still be possible, although this would not be a suitable route for larger vehicles. Depending on the use of this Transco land, both now and in the future, there may be a requirement for an access suitable for larger vehicles. Given the constraints surrounding this plot, the only practical access to this land would be through the access to the adjacent proposed residential uses. Given the likely low frequency of required access to the site it should be possible to design and locate a route that is sensitive to the local environment.

7.5.4 Environment and Place Making

The Preferred Option Base Scenario would preserve the existing allotments, however the two Variations would see some new housing development in the Fletcher Square area. Partial redevelopment of the allotments would be focused on the canalside at site 4A, and would create new terraced / townhouse style homes designed to front onto the canal. Were the whole of the allotments to be developed, new dwellings would include a mix of larger detached and semi detached villas, as well as the canalside townhouses, which are built to capture views over the canal. Canalside properties will front onto the towpath and help to frame Fletcher Square to the East.

Plate 12: Potential Mix of Residential Uses

The Transco site is retained in the Preferred Option Base Scenario (Figure 7.11) and also the two Variations, screened by tree planting and low density development. If new homes are developed high quality landscape treatments will be included aimed at protecting and enhancing the visual amenity of the existing open spaces and the development will benefit from the quality and attractiveness of the surrounding landscape and the pleasant views across areas of important green space to the castle and the wider countryside.

Variation 1 to the Preferred Option Base Scenario, illustrated in Figure 7.12, would retain part of the existing allotment sites, developing only the site fronting on to the canal and Fletcher Square. Variation 2, illustrated in Figure 7.13 would develop all of the allotments for new housing. The site (see the photograph below) does provide a valuable asset within an excellent setting, which would provide the opportunity to create good quality, and highly aspirational, homes (see **Plate 13**)

FIGURE 7.11, 12 & 13

Plate 13: High Quality mix of Residential Homes

7.6 Parkside Road North

7.6.1 Vision

Located between the River Kent and the restored Canal, the Parkside Road North character area provides an opportunity to develop a high quality residential offer, providing pleasant views across both water features whilst providing excellent access to the new Canal Head activities. Figure 7.14 illustrates the proposed characteristics of the Preferred Options for this character area. Both new and existing residents will be able to enjoy the many benefits of a restored canal including its footpaths, cycle ways and diverse ecology.

Plate 14: Existing Buildings in the Parkside Road Character Area

FIGURE 7.14

High quality medium density residential properties will be integrated within the existing residential stock of the sub area. The properties will flank the western bank of the restored canal, creating an attractive introduction to those visiting the redeveloped Canal Head as well as improving the sustainability of the existing neighbourhood through a number of improvements. These could include the introduction of new family houses for sale, rent and shared ownership. Existing buildings identified as having a positive heritage value are retained in our proposal.

The narrow stretch of land along the western bank of the Canal (opposite site 4A) shall be preserved as an area of green space, a high quality linear park with a variety of potential functions, most importantly as an attractive backdrop for permanent residential moorings. This will further increase housing choice and bring new life to the canal.

7.6.2 Uses and Activities

Table 7 provides an indicative schedule of the mix of uses to be developed in the Parkside Road character area. This existing residential area will be reinvigorated through the introduction of a new, complementary family housing mix on vacant land to the east of the character area. This new residential area, capable of accommodating some 60 properties, will offer a range of residential properties for sale, rent and shared ownership adding housing choice and strengthening the character of the existing residential neighbourhood.

Its position, further away from town and from the livelier area of Kendal Canal Head, will provide a quiet residential location ideal for families, yet is still well connected (via the towpath) to the attractions and facilities of the Canal Head. This area provides an ideal location for permanent residential moorings that will enhance the setting of the canal and maximise the opportunity provided by the water space.

Table 7: Summary of Uses – Parkside Road

Option	Plot Number	Land Use	Floorspace / No. Units*
Preferred Option Base Scenario	5A	Residential	14 houses
	5B	Residential	21 houses
	5C	Residential	25 houses
	5D	Open Space	

*Note: The figures provided are indicative and subject to change.

7.6.3 Access and Movement

The residential units would be integrated into the existing street patterns and would use the existing accesses from Nether Street and Aynam Place. There may be opportunity to extend Wilson Street to provide a connection between Nether Street and Aynam Place. This would provide greater accessibility to the area and increase permeability. The residential properties facing onto Parkside Road itself could potentially be accessed via a new junction on this road, although for the purposes of assessing the Preferred Options, access to these properties is assumed to be from Nether Street.

The Parkside Road area does not have any towpath within its boundary as the towpath is proposed on the eastern side of the canal. The key pedestrian links are therefore to Aynam Road for bus services and to Sunnyside/Parr Street and Parkside Road itself to connect with the canal towpath. Pedestrian permeability in a north-south axis through the area would be provided through parts of the area where appropriate, although the main pedestrian and cycle routes in these directions would be either side of the development along Aynam Road to the west and the canal towpath to the east.

The main bus route runs along Aynam Road to the west of the area. Although there are no bus stops immediately adjacent to the area, all proposed development within the area has a

bus stop within 200m. For the northern half of the area the nearest bus stop is adjacent to Queen Katherine Street. The nearest bus stop to the southern half of the area is by K Village. There is also a bus stop on the opposite side of the River Kent that is within 200m of the southern part of the area.

7.6.4 Environment and Place Making

New development is laid out as a natural extension of the existing urban blocks ensuring that layout, scale and design of the new buildings are appropriate to the local setting. The character of the area is created using a mix of terraces linking into the existing and historic street patterns with signature buildings at key corners of the development to create a unique, fresh feel to the area, whilst also respecting local traditions in terms of materials and finishes. Important local buildings within the existing North West Electricity Networks Limited depot to the north of Parkside Road would be converted for residential uses. Alternatively they could be converted to small scale office use perhaps being reused to provide business support functions to the businesses located in this part of the town (at Parkside Business Park for example).

In addition the layout of the development will ensure that streets and open spaces are overlooked and protected whilst also benefiting from the views afforded by the canal and green spaces.

Along the canal corridor proposed green space will reinforce the existing network of public open space creating a landscaped of high quality. Housing will incorporate promotion of urban habitats, in particular in locations adjacent to the canal and along the canal residential moorings could also be provided, in order to achieve a wide range of residential uses.

Plate 15: Potential Mix of Buildings in the Parkside Road Character Area



7.7 Change Bridge

7.7.1 Vision

Figure 7.15 illustrates the proposed characteristics of the Preferred Options for this character area. The redevelopment of Kendal Canal Head may require the relocation of a number of local businesses. The Change Bridge area, will play an important role in providing an alternative, high quality, location for some of these local firms, as well as providing the opportunity for further residential development with new family houses. The Preferred Option Base Scenario therefore features a blend of residential, office and commercial premises on this site, enabling the retention of valued local businesses. Employment provision is prioritised for businesses located from elsewhere within the AAP area.

-Plate 16: Change Bridge



Redundant infrastructure and buildings in the area will be demolished, and the setting of the canal and the wider area will be enhanced through a comprehensive programme of complementary environmental improvements. The quality and setting of heritage assets (such as Change Bridge with its associated wharf) will be protected and enhanced through careful layout, design and materials.

New housing and quality business accommodation will complement the existing surrounding residential properties and provide an attractive living and working environment adjacent to the restored Lancaster Canal.

Variation 1 – Housing Led

As an alternative to incorporating employment space within this area, this area could be developed entirely for residential purposes, should relocation of existing employers at Canal Head prove to be undesirable or impracticable. Under such a scenario, the proposed family residential area would be extended eastwards towards the canal, creating an extended family housing zone with an attractive canalside location. It is noted that there has been a recent permission for a residential development within this area. This can be seen in Figure 7.16.

Variation 2 – Employment Led

A second alternative would seek to boost job creation and business growth through the creation of a high quality business area on the whole of the site. The Change Bridge area would be used to provide a mix of new offices and industrial premises and, providing an opportunity for an attractive canalside business location close by the existing Parkside Business Park.

7.7.2 Uses and Activities

Table 8 presents the proposed schedule of uses for the Change Bridge area Preferred Option Base Scenario, including the two Variations.

FIGURE 7.15 & 16

Overhead power lines and North West Electricity Networks Limited's sub station infrastructure (both of which will be retained) present limitations to the development of this area. However, the Preferred Options incorporate these constraints within the overall design to ensure that their adverse impacts are either mitigated against or avoided entirely. Consequently, a 30 metre exclusion zone will remain free from development beneath the overhead power lines, whilst the sub-station will be protected from development and will lie adjacent to the employment uses, rather than the more sensitive residential properties. As such, the employment premises will be located immediately to the north and east of the sub station, providing valuable employment and workshop space for local businesses. In the Preferred Option Base Scenario some 3,000m² of new employment premises (a mix of B1a and B2) will be created at this site, along with the provision of 18 new family housing units in a range of tenures.

A buffer of improved green infrastructure, including wild open space (featuring the judicious use of screen planting) will soften any potential visual impacts of the employment uses, helping to enhance the vitality and viability of the mixed use neighbourhood.

Variation 1 – Housing Led

Variation 1 would remove the employment element of the scheme at this site, providing a new, mixed: tenure area of family housing, in an enhanced canalside setting. 37 properties (an increase of 19 dwellings compared to the Preferred Option Base Scenario) would be made available for sale, rent and shared ownership. This will enhance housing choice and provide new opportunities for first time buyers and growing families in Kendal. Variation 1 would bring new homes closer to the sub-station than in the Preferred Option Base Scenario. Guidance for relating residential development in close proximity to power lines is under review (following recent reports relating to longer term health issues) and this may well inhibit future development for residential uses. Provided however, that the site can meet these standards (including proposals for mitigation of visual impacts) then residential development on the site, should still be considered as an option.

Variation 2 – Employment Led

Variation 2 presents the alternative option of developing the area as a high quality business location. This would remove the residential element discussed in the Preferred Option Base Scenario, replacing it with new B1a office space. Given the lack of suitable employment sites in the town and South Lakeland District generally, this variation could provide a valuable addition to the employment land portfolio for the District. It would also create new job opportunities within a short walk of both the town and the new housing created elsewhere in the AAP area. In the first instance, preference would be given to the relocation of businesses from elsewhere in the AAP area.

Table 8: Summary of Uses - Change Bridge

Option	Plot Number	Land Use	Floorspace / No. Units*
Preferred Option Base Scenario	6A	Residential	18 houses
	6B	Employment	2,500 m ² B2 commercial 500 m ² B1a offices
Variation 1	6A and 6B	Residential	37 houses
Variation 2	6A and 6B	Employment	2500 m ² B2 commerciala 2340m ² B1a office

*Note: The figures provided are indicative and subject to change.

7.7.3 Access and Movement

This area lies outside the one-way system and therefore this area represents the most accessible part of the site. Vehicular access can be obtained to and from Parkside Road to the east, Lound Road to the south and Romney Road to the west without vehicles needing to use the one-way system. Vehicles from the north would use the one-way system, however, this would be a direct route and would be used whether there was a one-way system in place or not. The density of parking provision for this part of the development could be higher than in other areas as the traffic impacts on the wider town centre would be more modest. This would fit well with the inclusion of office and industrial uses within the character area.

The key pedestrian links in this area are along the towpath in either direction and onto Lound Road to connect with local bus services. There is a bus stop opposite K Village that would provide convenient access to this area by bus. Pedestrians would access the bus stop via Lound Street and Parkside Road using the existing footways. There is also a secondary access between Lound Street and the area to the rear of properties on Lound Street via an alley. The most appropriate pedestrian access to the town centre would be via the canal towpath.

While this is the southernmost point of the AAP, the Northern Reaches canal restoration project extends further south. Oxenholme Station is also located to the south of this area. Therefore, onward connections to adjoining areas should be given consideration. In particular, the cycle route towards Oxenholme Rail Station should be maintained and signed appropriately.

The southern boundary of the AAP also extends to the eastern side of the canal, although no development is proposed for this area in the Preferred Option. Access to the east of the canal would be from Parkside Crescent as at present. Parkside Road would bridge over the canal providing access between the two sides of the canal.

7.7.4 Environment and Place Making

The character and appearance within the existing streets and new homes provided will be improved through 'Home Zone' style improvements creating safer, more secure streets where a higher priority is given over to pedestrians who will be able to enjoy improved access to the canal.

In the Preferred Option Base Scenario illustrated in Figure 7.15, the sites allocated for housing are restricted in favour of creating valuable local employment space to relocate existing businesses from other parts of the AAP area. Alternatively the site would make an excellent accessible location for new start up businesses providing much needed employment space in close proximity to the existing Parkside Business Park. The area could also be developed as a small office village offering a mix of small start up accommodation.

Variation 1 assumes the site is entirely given over to create a stronger residential neighbourhood. Mixed sized terraced properties (see Plate 17) introduced selectively across the area would continue the traditional street pattern and reinforce the typology of 'Yards' with communal spaces whilst also supporting higher density development.

Plate 17: Potential Mix of Property Types



7.8 Without Restored Canal Preferred Variation

The Preferred Option Base Scenario assumes that the Northern Reaches of the Lancaster Canal. However the delivery of the canal restoration is not guaranteed at this stage and is reliant on significant, additional public sector funding.

Consequently, as part of the process of preparing a robust Area Action Plan, careful consideration has been given to what a variation would look like without the canal element whilst seeking to meet as many of the AAP objectives as possible. Whilst a “no canal” option may be commercially feasible, it would not meet many elements of the Vision and Objectives set out in Section 3, and specifically make it hard to achieve in full the Preferred Vision for the AAP and three of the principal objectives, namely:

- D. To encourage the provision of high quality local shops and community facilities that complements but do not compete with the town centre.
- E. To diversify the town’s offer through the provision of a unique canal based quarter with a vibrant mix of uses which encourage economic activity, including tourism, recreation, business and specialist retail use.
- F. To consider the value of the proposed development in terms of its potential to be a potential source of private sector investment to fund the restoration of the Northern Reaches of the Lancaster Canal.

The range of development that could be brought forward without the canal would be more limited but would include:

- 539 new dwellings (of which there would be 156 apartments, 383 apartments)
- 1500m2 of new retail
- Up to 9928m2 of new B1 office accommodation (dependent upon public subsidy availability)
- 2500m2 of new B2 industrial premises

Compared to the Preferred Option Base Scenario, a development without the canal would see:

- No hotel – without the canal there would be no impetus for hotel development in the area
- Significant reduction in retail uses – the canal serves as the centrepiece for a unique visitor area in Kendal. Without the canal, retail would be largely limited to local convenience shopping provision and there would be few opportunities for A3 and A4 (café, restaurant and bar) uses. Retail development to be limited to 1500m². The opportunity to create high quality and specialist niche retailing in a canal based quarter would also be missed.
- No uplift – increased values for commercial development and residential sales due to the waterside setting would not occur.

Without the canal, Canal Head remains a good strategic location for employment development, having been identified as a good potential site for higher value knowledge based employment in the recent South Lakeland: Knowledge-based Employment Land Search and Assessment Report for NWDA. However major new B1 offices are not commercially viable under any of the scenarios without subsidy given costs of construction and achievable values in Kendal. However, without the canal, there would be lower profits from the retail, and no uplift from the waterside setting meaning new employment uses under an option without a canal would require greater subsidy. Without this subsidy, the canal head area is likely to come forward as a predominantly residential area.

Without the canal, the area would be less diverse and much less vibrant. The canal encourages and makes possible a mix of uses and attracts a mix of users, including residents, employees and visitors. Without the canal, the area is just another residential and business area and there is no impetus for additional visitors to come to the area.

The exception to the housing policies set out in IPATH agreed for the AAP are linked to the wider benefits of the canal restoration, with the aim of balancing IPATH requirements and generating a surplus to contribute towards the cost of the canal restoration. If the canal were not to go ahead, this variation to IPATH may not apply. It may therefore be appropriate for policies within the AAP to tie the more flexible policy on affordable housing into the restoration of the canal, by setting a time limit for an exception to IPATH during which time the canal restoration must commence.

8 Commercial and Economic Appraisals

This section of the report provides a summary of the costs of restoring the canal in both the AAP area and the 2.3km stretch from the Canal Head to Natland Road. Section 8.2 explores sets out the potential contribution the redevelopment proposals within the Preferred Options could make towards meeting the costs of restoration.

Section 8.3 describes the potential employment benefits the Preferred Options developments could provide, as well as the potential benefits in both visitor numbers and additional employment restoration of the canal could provide.

8.1 Canal Restoration Costs

A broad assessment has been made of the canal restoration costs associated with the Preferred Options. The canal length to be reinstated is dependent on the amount of funding secured. Only 900m of the former canal is present within the AAP boundary. This, in isolation, is insufficient to provide the activity and animation required to be presented as a feature of the development. Consequently, the minimum target for the canal extension would be to Natland Road, which would create a 2.3 kilometre length of canal that would work as an isolated section. British Waterways is currently developing a planning application to restore this section of the canal, known as the Northern Reaches.

In summary:

- The cost of canal restoration within the AAP area (from Canal Head to Change Bridge) is approximately £10.9m
- The cost of Canal Head to Natland Road (including the restoration within the AAP area) is approximately £21.4m;

The cost of the reinstatement includes land acquisition, earthworks and enabling works, heritage led repair and reinstatement, construction of new sections of channel and new bridges. The costs are based on 2007 prices but do not include inflation. Results of the Financial Appraisal (see Section 8.2 below) show that neither the Preferred Option Base Scenario or the Variations can generate enough profits to meet the full costs of the Canal Restoration, not even the relatively limited costs related to restoration within the AAP area, however the modelling indicates that the development could make a significant contribution towards the costs of restoration. The developments proposed in this report could contribute up to 52% of the funding required to restore the 900m of canal within the AAP area, and up to 27% of the costs related to restoring the canal between the Canal Head and Natland Road. Match funding would allow the restoration of the canal in the AAP area, but only provide a little over half the funding required for the whole of the Northern Reaches.

It is acknowledged that a range of additional funding would be required to meet the full costs of restoration. For more information on potential funders see Section 10.

8.2 Financial Appraisal of AAP Preferred Options

As part of the process of preparing the AAP, a detailed financial appraisal of both the Preferred Option Base Scenario and the Variations has been undertaken. Full details of the financial modelling work are included in Appendix A. This section provides a short summary of the key findings of the review.

In applying a financial model, a number of key assumptions have been made about the likely costs and likely level of revenue arising from the Preferred Option Base Scenario and the Variations described in Section 7. Several of the key assumptions are set out below, common to the Preferred Option Base Scenario and Variations alike.

Key assumptions

- 30% of all new houses would be affordable across the development;

- Of the affordable housing, 70% would be houses and 30% apartments in order to meet local housing needs. This impacts upon the number of houses available for private sale;
- The Preferred Option Base Scenario's overall total of 539 dwellings would therefore comprise 377 market properties, and 162 affordable properties;
- The overall total of 539 dwellings in the Preferred Option Base Scenario includes 383 apartments (of which 48 would be affordable and 335 would be for the open market) and 156 houses (114 affordable and 42 market properties);
- 75% of market apartments would be two bedroom;
- Land acquisition costs are equal to £2.47m per hectare for residential land and £1.73m for retail and hotel land;
- Developers profit is factored in at 17.5% of total costs;
- Fees equate to 6% of total costs;
- The cost of borrowing is assumed constant at 6.75%;
- Resale values vary across tenures. Sales prices for market properties have been estimated using both cautious and more optimistic house prices, Sales values for affordable dwellings have been divided into RSL homes and into lower quality and higher quality affordable homes. These values are shown on Table 9 below.

Table 9: Average Resale Values By Tenure

Tenure	Average Resale Values – Residential Properties			
	1 bed flat	2 bed flat	2 bed house	3 bed house
Market Properties – Cautious House Prices	£130,000	£180,000	£225,000	£300,000
Market Properties – Optimistic House Prices	£150,000	£200,000	£250,000	£325,000
RSL	£52,000	£56,000	£62,000	£65,000
Lower Quality Affordable	£65,295	£76,742	£88,801	£104,472
Higher Quality Affordable	£80,956	£91,413	£109,696	£130,590

- A sensitivity assessment has been factored into the process, with costings provided for construction costs at Code for Sustainable Homes (CSH) 3, 4 and 5. Residential construction costs are significantly higher at the higher standards, especially CSH 5. For example, a two bedroom market flat is estimated to cost approximately £85,500 at CSH 3; £90,700 at CSH 4 and £125,000 at CSH 5. Additional detail regarding the assumptions underpinning the financial appraisals is included in Section A.2 of Appendix A.
- At present it is not mandatory for new homes to meet the Code for Sustainable Homes, nor is it mandatory for homes to be assessed against the Code. However, the Government is currently consulting upon making assessment against the code mandatory, and the recent Department for Communities and Local Government Policy Statement "Building a Greener Future" indicates an aspiration for all homes to meet

Code for Sustainable Homes Level 3 by 2010, level 4 by 2013 and Level 6 (zero carbon) by 2016. Consequently it seems likely, if this policy does become binding, that a large proportion of the Kendal Canal Head residential development will have to meet Code for Sustainable Homes 4 and 5.

- All of the financial models assume the canal is restored and factor in an uplift in values for commercial properties of 18%.

8.2.1 Variations

Financial models have been produced for the Preferred Option Base Scenario and four main spatial Variations. These Variations are as follows:

- **Variation 1** – As Preferred Option Base Scenario, except instead of accommodating an element of employment land, the Change Bridge character area would consist of 100% residential properties. This increases the number of dwellings from 539 to 558 overall (an increase of 19 additional houses), but reduces the total amount of employment space by 3000m² (of which 500m² is B1a and 2500m² is B2). This variation would therefore require the relocation of employment sites from Kendal Canal Head to sites outside the AAP boundary.
- **Variation 2** – As Preferred Option Base Scenario, except instead of accommodating residential uses, the Change Bridge character area would be developed for 100% employment uses forming a canalside business park. This reduces the number of dwellings from 539 to 521 overall, (a loss of 18 houses from the scheme).
- **Variation 3** – As Preferred Option Base Scenario, but with partial development of the Fletcher Square allotments. This increases the overall number of dwellings by 23 to 562 dwellings. This would however preserve around 1.02ha of the allotments.
- **Variation 4** - As Preferred Option Base Scenario, but with the total development of the Fletcher Square allotments. This increases the overall number of dwellings from 539 to 610 dwellings, an increase of 71 houses. This would result in the loss of all of the the allotments.

As well as the four main spatial Variations, a model has been developed that changes the property mix within the affordable dwellings, based upon the Preferred Option Base Scenario.

- **Variation 5** - As Preferred Option Base Scenario, but with a different mix of property types within the affordable housing. Under this variation, 60% of affordable dwellings would be houses and 40% flats, compared to a 70/30% split in the other variations.

8.2.2 Financial Summary

Table 10 summarises the key outcomes of the financial modelling work, presenting the total development cost, revenue and final total development values achieved by the Preferred Option Base Scenario and the main Variations modelled. Table 10 assumes build costs at CSH 3, using both cautious and more optimistic house prices.

Table 10: Summary of Financial Modelling at CSH 3

Scenario	Cautious House Price Forecasts			Optimistic House Price Forecasts		
	Total Cost	Total Revenue	Total Profit	Total Cost	Total Revenue	Total Profit
Preferred Option Base Scenario	£110.79m	£107.58m	-£3.21m	£110.79m	£115.33m	£4.54m
Variation 1 – Change Bridge 100% residential	£110.74m	£108.29m	-£2.45m	£110.74m	£116.35m	£5.61m
Variation 2 – Change Bridge 100% employment	£111.86m	£107.13m	-£4.73m	£111.86m	£114.58m	£2.72m
Variation 3 – Partial development of Fletcher Square allotments - site 4A	£116.36m	£112.76m	-£3.6m	£116.36m	£120.93m	£4.57m
Variation 4 - Total development of Fletcher Square allotment - sites 4A and 4B	£127.45m	£123.21m	-£4.25m	£127.45m	£132.24m	£4.79m
Variation 5 - 60/40 split between houses and flats within total affordable provision	£111.01m	£108.92m	-£2.08m	£111.01m	£116.76m	£5.76m

All of the financial models result in a final development value (available as a contribution towards the costs of the canal restoration) of between £2.72m and £5.76m. Variation 5, which provides the highest final development value, steps away from the desired property mix within the affordable housing provision.

However, in each case the modelling shows if more cautious house price assumptions are used, or if more than a handful of homes are built to a higher standard than Code for Sustainable Homes 3, neither the Preferred Option Base Scenario nor the 4 Variations generate any meaningful final development value that could contribute toward the costs of the canal. If homes are built to Code for Sustainable Homes 5, the Preferred Option Base Scenario and the Variations all show large losses.

Developing the allotments either in part or in full (Variations 3 and 4) makes relatively little difference to the financial performance of the scheme, extra revenue being largely offset by increased costs. However the option chosen for Change Bridge makes a significant difference. Developing site 6 for 100% residential increases the final development value, compared to the Preferred Option Base Scenario by £1.1m (at the cost of loss employment land). By contrast developing this site for 100% employment uses reduces the final development value by around £1.8m

Variation 5 changes the property mix within the affordable housing. Relaxing the requirement that 70% of affordable dwellings be houses, so that there is a 60/ 40% split between affordable houses and affordable flats has a positive impact on the final total development values for the Preferred Option Base Scenario and all of the spatial Variations.

8.2.3 Conclusions

The financial modelling indicates the likely level of contribution that development within the Canal Head AAP area could provide towards the costs of restoring the canal. This is in the order of £2.72-5.76m depending upon the Variation chosen.

The Preferred Option Base Scenario and each of the four Variations are each commercially feasible and show a final development value of between £2.72m and £5.61m.

Variation 1 - Developing the Change Bridge character area for 100% residential use produces the largest final development value *whilst preserving the preferred mix of dwellings within the affordable housing*.

Variation 2 - Developing Change Bridge for employment only - is the worst performing Variation, and the two Variations that consider developing the allotments in part or in full, described as Variations 3 and 4, contribute little in the way of additional development value, given the substantial additional costs of these two Variations.

Modelling also indicates the importance of the mix of dwellings within the affordable housing. The requirement that 70% of affordable dwellings be houses (rather than flats) reduces the number of *houses* available for private sale. As these are some of the most profitable parts of the development, changing the requirement to 60% has a positive effect on total development values for each of the scenarios. When applied to the land use patterns assumed for the Preferred Option Base Scenario, shown by Variation 5, changing the property mix with the affordable housing provision increases the final development value by £1.2m

As discussed in Section 8.1, neither the Preferred Option Base Scenario or the Variations can meet the full costs of the Canal Restoration, not even the relatively limited costs related to restoration within the AAP area, however the modelling indicate that the development could make a significant contribution towards the costs of restoration. The final development value of £5.76 million provided by Variation 5 represents approximately 52% of the funding required to restore the 900m of canal within the AAP area, and approximately 27% of the costs related to restoring the canal between the Canal Head and Natland Road.

The financial models are explored in more detail in Appendix A.

8.3 Employment Outputs

The Preferred Option Base Scenario for the Canal Head will create a significant amount of new employment for Kendal. This includes 488 new jobs (of which 304 are additional jobs) created through new development in the AAP area, 85 new jobs in construction employment (of which 44 are additional) and between 24 -29 FTE jobs created by increased visitor numbers generated by the restored canal depending upon the length of canal restored.

Variation 2 of the Change Bridge character area, which increases the extent of office development, has the potential to create even greater employment.

8.3.1 New Commercial Development

The Preferred Option Base Scenario proposals include 6994m² of new A1-A4 retail, 3076m² of B1a offices and 2500m² of new B2 industrial land. The proposal also includes a new 40 bedroom, 3 star hotel.

EP guidelines on employment densities have been used to calculate the number of new jobs that these developments would create. Table shows the jobs created by land use classes under the preferred option base scenario.

Table 11: Employment by Land Use Classes

Land Use Class	Amount of new floorspace (m2)	Net Internal Area (m2) 80% of gross area	Employment Density	Gross Direct Jobs (FTE)
Retail (A1-A4)	6994	5595	20	280
Office (B1a)	3076	2460	19	129
Industrial (B2)	2500	2000	34	59
40 bedroom hotel (C1)	1658	n/a	1 employee per 2 bedrooms	20
Total				488

The Preferred Options propose changes to an area that already includes employment, and as demonstrated in the Baseline and Issues and Options Reports, were the Canal Head not to go ahead, some development would still take place. Consequently, not all of the jobs can be considered additional jobs. Some employment would exist anyway and some new employment would be created through outstanding planning applications. We have estimated that 80 jobs would exist or be created in the Canal Head AAP area even if the AAP did not go ahead.

In assessing the number of additional jobs that would be created we therefore have to take into account:

- deadweight - the amount of employment that would result if no action was taken
- leakage - the extent to which employment will go to people outside the Kendal area
- displacement – the extent to which the jobs created in the Canal Head AAP are accounted for by reduced employment outside the AAP boundary
- multiplier effects - further job creation associated with additional local income.

We have used English Partnerships Additionality Guide 2nd Edition (September 2004) to estimate values for leakage, displacement and multiplier effects and this has enabled us to estimate how many additional jobs are created by the Area Action Plan.

Table 12 shows how we have calculated the additional employment provided by the Preferred Option Base Scenario

Table 12: Employment - Additionality

		Preferred Option Base Scenario	Deadweight	Additionality
A	Gross direct jobs	488	80	
B = A x 10%	Leakage Assumed to be low – most of the benefits will go to people within Kendal	48	8	
C = A - B	Gross local direct effects	440	72	
D = C x 25%	Displacement Low – there are expected to be some displacement effects, though only to a limited extent	110	18	
E = C - D	Net local direct effects	330	54	
F = E x (1.1 -1)	Multiplier (1.1)	33	5	
G = E + F	Total net local effects	363	59	
H = G (Intervention Option) – G (Reference Case)	Total net additional local effects			304

Some 304 additional jobs would be created by the new development in the Preferred Option Base Scenario.

8.3.2 Construction Employment

In addition to the direct and indirect employment provided by new office, retail and business space, some employment would be created during the significant construction phases of the AAP.

Construction costs for residential, retail, office, hotel and industrial elements of the Preferred Option Base Scenario are estimated at around £73.5m, with construction costs for the canal at approximately £21m.

This level of spending is estimated to generate approximately 848 construction person years, based on revenue per employee data for the construction industry. Using a standard ratio of 10 person years of construction work being equivalent to one permanent job in the economy, this is equivalent to some 84.8 FTE gross direct construction jobs.

The effects on the immediate area, i.e. the Kendal economy, are likely to be restricted. Construction jobs tend to be temporary and often use outside labour. Depending on the construction method, specialist skills and expertise may be required not available in the local area.

As with jobs created in the new office, retail and business premises, the number of jobs created by construction depend on the level of leakage, displacement and economic multiplier effects.

We have assumed a high leakage effect (a net effect of 50 per cent) and an average local economic multiplier effect (1.1) for composite effects from supplier and income linkages, but no displacement and little deadweight (as only minimal new construction would occur without the AAP)

Table 13: Construction Employment - Additionality

		Preferred Option Base Scenario	Deadweight	Additionality
A	Gross direct jobs	85	4	
B = A x 50%	Leakage Assumed to be high – most of the benefits will go to people outside Kendal	43	2	
C = A - B	Gross local direct effects	42	2	
D = C x 0%	Displacement None – no other firms / demand affected	0	0	
E = C - D	Net local direct effects	42	2	
F = E x (1.1 -1)	Multiplier (1.1)	4	0	
G = E + F	Total net local effects	46	2	
H = G (Intervention Option) – G (Reference Case)	Total net additional local effects			44

Based on the above assumptions, the net additional local direct employment effect from the construction phases of the AAP would be 44 FTE construction jobs.

8.3.3 Visitor Generated Employment

Additional employment will be supported by the scheme within the wider economy of the area, through expenditure by visitors attracted to the restored canal terminus. Some of this leisure and tourism spend will take place at the retail outlets and hotel proposed at the Canal Head. However much of the expenditure is likely to occur at establishments elsewhere in the Kendal area. British Waterways Economic Development Unit have quantified the employment impacts of this spend within the wider corridor of the Canal Head area.

An initial economic appraisal of the restoration of the Northern Reaches was undertaken by ERM in April 2003 as part of an Options Appraisal Study for the restoration of the whole canal. The ERM study appraised four options for restoration, together with a further four scenarios for the redevelopment of Canal Head in Kendal. To provide context to the present study, the ERM forecast visitor-related employment at between 451 and 668 FTE jobs, depending upon which restoration option was chosen and the scale of development at Canal Head.

The present appraisal focuses on the restoration of the waterspace at Canal Head, plus a short length of the canal itself southward from Canal Head. Two scenarios are considered:-

- Restoration of the 2.2 km stretch of canal between Canal Head and Natland Road Bridge;
- Restoration of the 3.8 km stretch of canal between Canal Head and Crow Park Bridge.

The appraisal considers the restoration of these canal lengths as isolated stretches of waterway, not as part of the wider restoration of the whole of the Northern Reaches. The benefits estimated are assumed additional to those arising from the canal in its currently unrestored state. The study takes account, as appropriate, of the impacts forecast through the ERM study.

The restoration of the waterway in the vicinity of Canal Head will lead to recreation and tourism demand through activity on the water, around the Basin and along the restored canal towpath. This activity would include:

- **Boats based on the canal**

Although nationally demand for canal boating is growing, the short length of canal to be restored means that it is unlikely that privately-owned or hire boats would be based on the canal. There may be some opportunities for the establishment of berths for residential boats in and around the Canal Head, but the limited cruising opportunities available means that demand for berths for recreational craft would be small.

Given the fact that Kendal is already an important visitor destination, there is likely to be demand for day boat rental at the Canal Head, particularly if they are operated in association with other recreational activities. Day boats are small 1-4 person narrowboats or cruisers and a fleet of 3 such craft is assumed under both restoration scenarios, with a slightly higher boat utilisation assumed for the Canal Head – Crow Park restoration.

- **Visiting boats**

It is however quite possible that the owners of trailed boats would wish to visit the canal, particularly to experience the new cruising opportunities opened up. Launching facilities (such as slipway) would need to be provided for these craft. It is assumed that an average of 1 boat per day would take advantage of this opportunity over the 3-month Summer period, with an average dwell time of 1.5 days – a total of 135 boat-days per year. This would rise to 1.5 boats per day in the case of restoration on to Crow Park, giving around 200 boat-days p.a.

- **Trip Boats**

Even with the restricted length of navigation available, there is scope for the establishment of a trip and / or restaurant boat operation based Canal Head. Such an enterprise would offer both public and charter trips and possibly be operated in conjunction with the day hire boats (see above).

- **Canoeing**

The ERM study forecast nearly 7,000 canoeing / kayaking visits per year to the whole of the restored canal, through visits by individual canoeists, canoe hire and use by clubs. The British Waterways National Count (1996) estimated an average density of 280 visits per kilometre per year to the cruiseway section of the Lancaster Canal. Given that demand for canoeing is growing and the favourable location of the canal in Kendal, a higher density of 400 visits per kilometre per year is assumed for the Canal Head section of the canal. This gives the following number of visits under the two restoration scenarios:-

- **Angling**

Stocking of the restored section of canal with coarse fish will open up opportunities for visits by anglers. The British Waterways National Count (1996) estimated an average density of

560 visits per kilometre per year to the cruiseway section of the Lancaster Canal by anglers. Coarse fishing on canals has not experienced any growth in recent years. Therefore, assuming the same density is achieved on the restored section of the canal, annual visits would be as follows, under the two scenarios:-

- **Cycling**

It is planned that the towpath along the restored path will be developed as a multi-use path, facilitating visits by cyclists. The 1996 National Count estimated the density of cycling use on the cruiseway section of the Lancaster Canal at 1,400 visits per kilometre per year. Only parts of the canal are easily used by cyclists. Also the development of cycling opportunities along the restored stretch will create a new off-road link between Kendal and surrounding villages and countryside. Therefore a substantially higher density of use of the restored section can be forecast – say 4,000 visits per kilometre per year. Annual visits would therefore be as follows:-

Informal visitors

Non-boating visitors will be attracted to the Canal Head and the restored canal towpath for a range of activities, including walking, jogging, sightseeing and visiting attractions established on and around the canal. Walkers and joggers would be expected to make use of all or at least part of the canal towpath, while other visits would be concentrated at the Canal Head area itself.

The ERM study forecast between 135,000 – 230,000 visits per year at Canal Head, depending upon the level of tourism & leisure-related development at the site. Against the Canal Head Preferred Scenario, it is assumed that annual visits will be towards the upper end of this range – say 225,000 visits p.a. This is comparable with other canalside attraction / urban sites, such as Newark (300,000 visits p.a.), Bradford-on-Avon (250,000 visits p.a.), Bingley 5-Rise Locks (225,000 visits p.a.) and Saltaire (West Yorkshire) (200-250,000 visits p.a.).

The Canal Head area is assumed to approximate to the first kilometre of the restored canal from Canal Head itself. On the remainder of the restored canal, towpath visits are assumed to approximate to the average density of visits to the cruiseway section of the Lancaster Canal, as estimated through the 1996 National Count i.e. 35,000 visits per kilometre per year. Overall annual visits would therefore be:-

Day and Overnight Stay Cycling and Informal Visitors

The ERM study split visits by cyclists and informal visitors into 3 categories:, against which different assumptions were made regarding visitor expenditure levels and displacement of activity from elsewhere:-

- Local day trippers (70% of visitors)
- Inbound day trippers (10% of visitors)
- Holiday visits (20% of visitors) – Holiday visits are those that involve at least 1 overnight stay in the vicinity.

In the case of visits to Canal Head, a slightly different mix of visit types is assumed, reflecting likely differences between cyclists and visitors to the canal towpath on the one hand and to the visitor destination of Canal Head on the other. Resultant percentages and numbers of visits involved are as follows:-

Assessing the Economic Impact

To estimate the employment resulting from the forecast growth in numbers of visits across this range of uses, a multiplier approach has been taken, similar to that used in the ERM

study. Annual visitor expenditure is estimated, taking account of the displacement of recreational activity from elsewhere and indirect and induced expenditure arising from the initial direct visitor spend. Income and employment multipliers are then used to estimate income retained within the local economy and resultant full-time equivalent (FTE) jobs.

Updated visitor expenditure estimates have been adopted, derived mainly from the Inland Waterway Day Visit Survey, 2005;

An employment multiplier of 1 FTE job per £35,500 visitor spend has been used to convert visitor expenditure to full-time equivalent jobs, in line with the value used in recent waterway-related appraisals and evaluations undertaken for British Waterways.

Impacts are expressed in terms of additional:-

- Visits per year;
- Direct visitor expenditure per year;
- Total visitor-related expenditure per year (including direct, indirect & induced spend); and
- Full time equivalent (FTE) jobs.

Canal Head – Natland Road

Total visits p.a.	291,000
Direct visitor expenditure p.a.	£0.8 million
Total visitor-related expenditure p.a.	£0.9 million
Full time equivalent (FTE) jobs	24

Canal Head – Crow Park

Total visits p.a.	355,000
Direct visitor expenditure p.a.	£0.9 million
Total visitor-related expenditure p.a.	£1.0 million
Full time equivalent (FTE) jobs	29

8.3.4 Employment Output Conclusions

The Preferred Option Base Scenario for the Canal Head will create a significant amount of new employment for Kendal. This includes 488 new jobs (of which 304 are additional jobs) created through new development in the AAP area, 85 new jobs in construction employment (of which 44 are additional) and between 24 -29 FTE jobs created by increased visitor numbers generated by the restored canal depending upon the length of canal restored.

9 Delivery Strategy

9.1 Funding

The majority of development schemes in the Preferred Options will be entirely deliverable from the private sector, and indeed many may make a positive financial contribution towards the cost of delivering the canal infrastructure and public realm across the AAP area.

There are, however, a number of the proposed projects, particularly with regards to the provision of affordable housing, the public realm improvements and of course the canal itself, that will require public sector involvement. Funding for these projects will be required through the public sector partners of South Lakeland District Council, Cumbria County Council, the Housing Corporation and Cumbria Vision, in addition to Section 106 contributions from the private sector developments. These are discussed in further detail in the sub-sections below.

9.1.1 North West Development Agency / Cumbria Vision

Cumbria Vision, the body tasked by NWDA to lead on strategic economic development in the county, has provided £325,000 or nearly 50% of the master planning costs. It recognises the substantial potential that the restoration of the canal and the £100 million+ investment scheme would have on the regeneration of semi-derelict and underused land on the east side of Kendal, and on the town and the surrounding area as a whole. The building of new office, retail space and the proposed new hotel would create around 573 jobs (of which 348 are additional jobs), in addition, the canal restoration would create a new visitor attraction for Kendal with waterborne and waterside leisure having the potential to generate a further 24-29 local jobs depending upon the length of canal restored. The provision of around 539 new homes, 30% of which would be affordable, and the creation of a major new tourism attraction and a cultural centre of national significance all closely fit Cumbria Vision's strategies and policies. Cumbria Vision is already strongly supportive of the project in principle and has taken an active role in progressing it.

Cumbria Vision does not have funds of its own, but brings forward approved concepts for NWDA funding. It therefore cannot give any indication of the amount of any investment from NWDA, but would press for a contribution which reflects the flagship nature of the project, its national significance in creating a new northern terminus to the country's canal system, the rare opportunity to regenerate a significant area of land in Kendal for business and housing uses, and the large, diverse and widespread economic benefits for Kendal and South East Cumbria".

9.1.2 Heritage Lottery Fund

The Heritage Grants programme offers grants of £50,000 or more. Projects should look after and enhance the UK's heritage; to increase involvement in heritage activities; and to improve access to and enjoyment of heritage. A project planning grant is being developed for the restoration of the canal. It is envisaged that a £5,000,000 bid will be submitted in due course.

9.1.3 Cumbria County Council

As a key part of the Kendal Economic Regeneration Action Plan, Cumbria County Council recognises that the Canal Head AAP is a significant strategic project for Kendal which could potentially result in major investment and a significant number of jobs.

9.1.4 Housing Corporation

The Housing Corporation oversees the Government's affordable housing programme, and will merge with English Partnerships in 2009 to become the Homes and Communities Agency. Increasing the supply of affordable housing is a priority for central government, and the National Affordable Housing Programme 2008-11 Prospectus outlines the criteria through which affordable home providers will access at least £8 billion of Government funds. The Housing Corporation plans to spend more than £20m in Cumbria between 2006-2008 providing 259 homes for rent and 150 homes for low cost home ownership. Bids for Housing

Corporation funding are assessed regionally against value, quality, deliverability and policy fit criteria.

9.1.5 European Structural Funding

Structural Funds are the primary mechanism by which the European Union offers support to promote development and reduce inequalities between regions and social groups. They are administered by NWDA and are known as the Regional Competitiveness and Employment Programme. Funding provides some financial support for projects which could not otherwise proceed and which are designed to help businesses and members of disadvantaged communities. In addition to the priority Regional Allocations part of the Structural Fund budget is available to fund two Community Initiatives:

- **INTERREG IV** - provides funding to encourage cross border, trans-national and interregional co-operation; to encourage balanced and sustainable development across the European Community. The Department for Transport Local Government and the Regions is responsible for this programme (ERDF);
- **Rural Development Programme for England** is part of the EU Common Agricultural Policy that funds rural development work, such as environmental improvements, agricultural diversification and rural development measures, such as tourism. It is regionally administered by the NWDA.

Funding available from these sources is unlikely to exceed £500,000.

9.1.6 Landfill Tax

There are a number of landfill community funding streams that grant in the region of £50,000. A couple of these organisations have one off annual challenge funds where they are able to grant up to £250,000. Biffaward has a Flagship Projects fund which grants up to £500,000 for regionally or nationally significant voluntary sector-led regeneration projects designed to make a significant impact on quality of life in the region. The aggregates levy may also be a potential source of funding.

9.1.7 British Waterways

British Waterways has recently been subject to a cut in grant-in-aid from central government. This means that they are not in a position to fund this type of work. They continue to work with project partners, providing the expertise required to deliver the canal.

9.1.8 South Lakeland District Council

The District Council will be contributing on an 'in kind' basis (See section 9.3, 9.4 and 9.5). The use of its land holdings, on and adjacent to the canal's historic alignment, is instrumental to canal restoration and the delivery of the AAP. The Council will only be able to consider a financial contribution, should the realised development value of its operational land exceed the costs of relocating operations to a new site.

9.1.9 Sponsorship

A new source of funding has been identified. Due to the nature of the mixed use development it may be appropriate to sell sponsorship opportunities, which could result in the funding of an art installation or building. This is likely to be small scale funding but no less important to providing the value required.

9.2 Developer Contributions

The appraisals demonstrate the viability of the main development projects and provide an indication of the overall profitability of these schemes, identifying where public sector funding would be required.

There should be a presumption that all new residential developments within the AAP area will contribute a proportion of the total uplift in land value that can be attributed to the presence of the canal, towards the cost of restoring it. It will be vital that contributions for this should be ring-fenced for the canal's restoration, as without the canal, it is less likely that the more optimistic house prices modelled could be achieved across the board.

Without the presence of the canal, the regenerative benefits for this part of Kendal would be substantially reduced, and hence the motivation for de-allocating certain sites from employment use to housing in the first place would be undermined.

-It is suggested that in order to ensure that the local community can benefit sufficiently from the uplift in land value arising from the release of land for residential development at the Canal Head, the restoration of the canal should be part funded through a new statutory planning charge similar to the Infrastructure Tariff scheme developed by Milton Keynes Council and others. A statutory planning charge relating specifically to the Kendal Canal Head AAP area would:

- Finance additional investment to facilitate the canal's restoration, while preserving incentives to develop;
- Provide a greater degree of certainty and simplicity for developers;
- Act as a fair and transparent means of securing contributions on a consistent basis across the AAP area;
- Allow SLDC to plan positively for housing and economic growth in the Canal Head area in the knowledge that the regenerative benefits of the canal restoration would be delivered by the statutory planning charge.

It is suggested that in accordance with current government guidance, the main features of such a planning charge for the Kendal Canal Head Area, levied on the developer submitting the planning application, could be as follows:

- Subject to low minimum thresholds with residential and commercial developers in the AAP area liable to pay the planning charge;
- The planning charge will be used to supplement a negotiated S106 agreement which will be needed to supply affordable housing, public open space and other costs specific to individual development sites within the AAP area;
- The level of planning charge should be based on a costed assessment of the canal restoration costs, factoring in the uplift in land values likely to be achieved as a direct result of the proximity of the canal;

It will be important to ensure that any measures to enshrine a statutory planning charge for the Canal Head AAP area should dovetail with similar proposals for the remainder of South Lakeland District as specified in SLDC's emerging Core Strategy (Preferred Options 9 – Developer Contributions). Section 10.8 sets out the scope of policies in the AAP that will be required to ensure appropriate delivery of developer contributions.

In assessing the level of contributions which are also made by way of planning obligations, i.e. through the provision of affordable housing, this should comply with the tests of reasonableness set out in planning guidance, in that they should be:

- necessary,
- relevant to planning,
- directly related to the proposed development, and
- fairly and reasonably related in scale and kind to the proposed development,
- reasonable in all other respects.

Contributions will need to address / mitigate against the impact of development as well as ensuring the delivery of wider community benefits.

Opportunities should be sought to link new jobs to the unemployed in the Kendal area. Agreements with developers and occupiers should be sought to provide a proportion of jobs for local people. Support should be sought from local training providers and schemes developed to ensure that local people have the skills required for the jobs created in the

area. This approach is already proposed in the emerging Core Strategy. It may therefore not be necessary to include specific policies in the AAP if the requirements are already provided for in the Core Strategy.

9.3 Public Sector Non-Funding Contributions

It is envisaged that the public sector will play a central role in facilitating and delivering the regeneration of the Kendal Canal Head Area.

SLDC, Kendal Town Council and Cumbria County Council all own land assets in the AAP area. They may consider putting in place agreements to recycle all or a proportion of the land receipts they may accrue from the development of these sites as a contribution towards the cost of regeneration projects within the AAP area, specifically relating to the restoration of the canal.

SLDC have agreed the principle of transferring to the scheme its non-operational land holding which forms the bed of the canal. This would be valued as a contribution from the Council towards the canal restoration and be eligible to be used as match funding. Other Council landholdings within the AAP area, which have the opportunity for development, will be sold to developers at market value. Once the Council has funded the relocation of operations and resourced the fixed term costs of the project coordination and delivery it will be able to consider a financial contribution, should surpluses remain from the sale receipts.

It is assumed that the local authorities will have responsibility for maintaining existing and future public realm, adopted highways and public rights of way.

9.4 Leadership and Delivery Arrangements

In order to oversee the implementation of the AAP, it is recommended that a high calibre Partnership Board should be assembled. This should bring together key partners from the public, private and community sectors. It is envisaged that SLDC would lead the project, with British Waterways acting as a key partner providing assistance as and when required (i.e. on canal related issues)). Other partners may be expected to include:

- NWDA / Cumbria Vision;
- Cumbria County Council;
- Kendal Town Council.

There are a range of options as to how a Partnership Board may be structured, varying from informal partnerships, formal partnerships or trusts (which may be set up as a private company limited by guarantee) or even development companies.

In order to ensure effective and efficient delivery of the AAP, it may be appropriate for SLDC to consider entering into a relationship with a private sector partner or partners to deliver the envisaged development. There are three main forms of local authority / private sector development partnership, as follows:-

- Direct development in partnership with a Fund
- Explore possibility of forming a joint venture partnership.
- "Traditional" development agreements

Another significant resource requirement will be a project delivery team which might include officers from SLDC and BW. This staffing resource will facilitate and coordinate the regeneration project and over time play an increasing role in managing and promoting the Kendal Canal Head area as a tourism and leisure destination and as a key stop off point linking the town centre and K Village.

9.5 Land Assembly Strategy

Recognising that the AAP area is in a multiplicity of ownerships, and the fact that SLDC and British Waterways are not in the risk business, the most appropriate course of action regarding land assembly is for developers to be responsible for acquiring outstanding third party interests. This liability would relate to both negotiating acquisitions by agreement and funding those acquisitions. Only if the stage were reached where it was shown to be impossible to acquire one or more interests by agreement, would SLDC need to consider using its compulsory powers.

In this situation, whilst SLDC would make the Compulsory Purchase Order, all costs associated with the CPO including legal advice and any witnesses at a Public Inquiry would be underwritten by the developer. The Council would, therefore, be indemnified in this respect. If objections were received and the Secretary of State called a Compulsory Purchase Order Public Inquiry then this would obviously lengthen the development process – probably by 12 months or longer. Counsel would probably need to be appointed (at the operator's cost) and various witnesses assembled who would give evidence on the Council's behalf at the Public Inquiry. Assuming that the Compulsory Purchase Order was eventually confirmed, SLDC would use General Vesting Declarations (GVDs) to acquire individual interests. As before the costs of acquisition would be underwritten by the developer.

10 Area Action Plan Policy Considerations

10.1 Introduction

The subsequent stage of the AAP process will be to prepare a Draft AAP for submission to the Secretary of State. The AAP will contain specific policies against which future applications for planning permission in the Kendal Canal Head area will be assessed. A scoping of these policies is set out below.

10.2 General Approach

Policies should encourage development that meets the overall vision and objectives, including ensuring that the scale of development is appropriate to allowing Kendal to serve its role as a key service centre within Cumbria.

10.3 Residential Policies and Allocations

The Preferred Option suggests the development of a large number of residential units. Policy guidance will be set out for the appraisal of applications for residential development, particularly in the light of existing draft RSS policy and SLDC's IPATH.

Policies will be included within the Area Action Plan requiring the delivery of a proportion of affordable housing units in the order of 30% of the total number of residential dwellings. The split of affordable dwellings is provisionally anticipated to be 60:40 for houses and apartments respectively. This will be linked to the delivery of the canal restoration.

Densities for the character areas will be set out.

10.4 Employment Policies and Allocations

Specific policies will be included regarding sites which are identified for employment / industrial use within the AAP area, namely Change Bridge, which is intended to accommodate the relocated Gilkes factory, and sites in the Canal Head area which are expected to accommodate a mix of uses that will feature an element of B1a office space. The type of appropriate employment uses will be described. Planning Policy will require that employment developments do not have an adverse impact in the amenity of neighbouring residential properties.

It is noted that these employment sites will form part of the SLDC's existing portfolio of employment land.

Policies will also need to guide the types of employment use that will be allowed on the different sites and the allocation of suitable sites for displaced businesses such as Gilkes.

10.5 Retail Policies and Allocations

A detailed retail policy will be set out in the Draft AAP, outlining how the proposed retail element will complement the existing retail offer in Kendal town centre and will not adversely affect the town centre's vitality and viability through the use of a sequential approach and limitations of floorspace by A use types.

Policy consideration should be given to preventing the concentration of A3, A4 and A5 uses in the Canal Core area, to encourage a retail mix more conducive to attracting tourists. Consideration should also be given to the needs of local residents, with a proportion of convenience retail incorporated into the scheme.

The policy will make close reference to the Government's policy guidance set out in PPS 6.

10.6 Design Policies

Policy guidance needs to consider the technical issues that design needs to address, as well as the quality of design in the Canal Head core.

Policy guidance on the quality of design should include issues of scale, massing, materials and local design considerations. It should not seek to be too restrictive but ensure that design and materials are of a high quality.

Policy should have regard to the implications of the implications of the Conservation Area. It should also protect views and the setting of the castle.

10.7 Environmental Policies

The AAP should include a policy that seeks the retention of public open space and allotments, where possible, or the provision of alternative appropriate open space or allotments, where necessary.

Policy should set out requirements for high quality landscaping fronting the road infrastructure improvements, particularly where this is required as a buffer to development sites. However, policy should encourage buildings to provide an active frontage onto the restored canal, and in these cases buffer landscaping will not be required.

The AAP will encourage the incorporation of SUDS in development schemes, where appropriate. Figure 4.1 demonstrates the full extent of the Flood Risk within the AAP boundary.

Policies will ensure the protection of the SSSI at River Kent in terms of water quality and biodiversity.

10.8 Transport Policies

Policies may be included in relation to the provision of adequate parking facilities (including facilities for disabled parking, cyclists and motorcyclists) within the AAP area. Where dedicated parking facilities are not provided, it may be appropriate for developers to contribute towards the provision of public parking facilities by way of a Section 106 contribution.

Appropriate policies regarding the production of Transport Assessments and Travel Plans may also be included.

Policies regarding servicing and access may also be included.

Policies will set out proposals for pedestrian routes and signposting.

10.9 Developer Contribution Policies

Policies will set out proposals for a new statutory planning charge to ensure that the local community can benefit sufficiently from the uplift in land value arising from the release of land for residential development at the Canal Head. It is anticipated that this uplift will relate directly to the increase in property prices directly attributable to the presence of the canal, and hence the planning charge will be expected to contribute to the restoration of the canal itself. As noted in Section 10, a statutory planning charge relating specifically to the Kendal Canal Head AAP area would have the following attributes:

- It would be subject to low minimum thresholds with residential and commercial developers in the AAP area liable to pay the planning charge;
- The planning charge will be used to supplement a negotiated agreement which will be needed to supply affordable housing, public open space and other costs specific to individual development sites within the AAP area;

- The level of planning charge should be based on a costed assessment of the canal restoration costs, factoring in the uplift in land values likely to be achieved as a direct result of the proximity of the canal;

The policy would need to ensure that it could dovetail with similar proposals for the remainder of South Lakeland District as specified in SLDC's emerging Core Strategy.

It is further anticipated that there the AAP will contain policies requiring developers to enter into Section 106 Obligations (and potentially Section 278 Agreements under the Highways Act) to contribute financially to the delivery of public realm and infrastructure within the AAP area. In line with national guidance regarding the implementation of planning obligations, and contributions will be:

- necessary,
- relevant to planning,
- directly related to the proposed development,
- fairly and reasonably related in scale and kind to the proposed development, and
- reasonable in all other respects.

11 Next Steps

11.1 Introduction

The AAP forms part of SLDC's new LDF which is being prepared under the provisions of the Planning and Compulsory Purchase Act 2004 and which will replace South Lakeland District Council's Local Plan as the District's development plan. Details of the overall programme for the preparation of the Kendal Canal Head AAP and other Development Plan Documents are set out in the District's Local Development Scheme.

The current position on the AAP preparation is summarised as follows:

Stage 1 - Evidence Base – A Baseline Report has been prepared which appraises the current position of Kendal Canal Head, including an assessment of its environmental, residential, commercial, physical, social, economic, transportation, policy characteristics. This report was produced in consultation with a wide range of local stakeholders and is intended to inform the future development of the plan's strategy.

Stage 2 – Prepare Issues and Alternative Options in Consultation – An Issues and Options Report has been prepared and the main issues emerging from this document are summarised in Section 2 of this report. The emerging options identified are summarised and appraised in Section 5 of this report. Extensive public consultation was undertaken regarding these options during May 2007.

Stage 3 – Preferred Options Report – Preferred Options have now been developed, based upon the initial stages of the AAP Preparation, and in particular taking into account the views and opinions which were expressed during public consultation. The objectives and proposals of the Preferred Options are explained in this report.

11.2 Sustainability Appraisal

The Council is required to undertake a Sustainability Appraisal of the emerging AAP as it is developed. The Sustainability Appraisal of the Preferred Options Report has been produced and is published in parallel with this report. The two documents should be considered in tandem. A summary of the findings of the Sustainability Appraisal of this Preferred Options Report is provided below.

The Sustainability Appraisal (SA) for the AAP was produced along side the plan itself as required under the SEA directive (European Directive 2001/42/EC). The SA process is an iterative one which seeks to inform the AAP as it progresses, seeking to steer the direction towards a more sustainable outcome. This is achieved by focusing on the potential impacts with regard to key sustainability objectives set by the Council and its partners.

The SA sees the AAP as having a number of potentially positive societal impacts but does see room for improvement. Recommended routes for the preferred option to go down should include for example sustaining the amount of employment land in the area. The SA points out that the AAP could make specific reference to developing employment skills locally. The SA also refers directly to the allotments which may be lost in the area, requiring that before any decision is made on loss of allotments, that a suitable alternative is identified through the Council's open space strategy.

The SA highlights the contribution the AAP looks to be making in terms of environmental protection and enhancement, specifically with regard to the consideration of urban habitats and protected sites. The potential loss and relocation of the allotments is a priority in terms of environmental enhancement as well as social progress. Expansion of the green roof scheme (within reason) to include more of the residential developments could also improve the AAP's overall sustainability as a policy document.

Densities of the developments and proximity to Kendal to discourage car use are features in the AAP of particular merit, as are recommendations now in place for the use of SuDS and promotion of biodiversity. Reduction of resource consumption could feature more within the

AAP, particularly with regard to waste, the Codes for Sustainable Homes, energy efficiency and the investigation into the viability of a district heating system.

The AAP seeks to contribute to Kendal by helping creating a sustainable local economy. The restoration of the Northern Reaches of the Lancaster Canal will, it is thought, create more jobs and stimulate investment in the area whilst raising land values through improved amenity and attractiveness (for investors). It is not recommended that any loss of employment land takes place unless necessary and any decision to do so should be done in collaboration with local economic development representatives.

11.3 Next Steps

Stage 4 – Public Engagement – Following the approval of the Preferred Options report by Members, it will be subject to a further round of public engagement. This will include the formal publishing of the report along with its sustainability appraisal. Members of the public, stakeholders and other consultees will be invited to make representations over a specified period of six weeks in line with the Town and Country Planning (Local Development) (England) Regulations 2004.

This will take place over a six week period in April and May 2008 and respondents will have until 5pm on Friday 30 May 2008 to submit any comments.

ODPM Guidance regarding the preparation of Local Development Frameworks states that:

The aim of this formal public participation on preferred options stage is to give people the opportunity to comment on how the local planning authority is approaching the preparation of the particular development plan document and to ensure that the local planning authority is aware of all possible options before they prepare the submission development plan document

The local planning authority will have to provide sufficient information including maps and/or diagrams where appropriate at this stage to ensure that people can understand the implications of their preferred options. Once the local planning authority has identified their preferred options they will:

- publish them and seek comments over a 6 week period in accordance with the authority's statement of community involvement;*
- place any documentation identifying the preferred options on their website together with any supporting information which is needed to enable people to understand what they are being asked to comment upon and state where and when the preferred options documentation can be inspected;*
- publish the sustainability appraisal report;*
- make all the relevant material available for inspection at their principal offices and other suitable places for the whole of the six-week period for which it is open to comment;*
- send four copies to the Government Office and one copy to the Planning Inspectorate of the preferred options document on which representations were invited and any accompanying technical evidence which underpins the development plan document, such as assessing housing capacity and the community's housing needs;*
- send copies of the relevant material to statutory consultees in accordance with the Regulations; and*
- advertise in at least one local newspaper circulating in the area where and when the relevant material can be inspected, how copies can be obtained, what is the closing date for representations and where to send any representations.*

Following this period of public consultation, a draft AAP will be prepared for submission to the Secretary of State in January 2009. A further six week consultation period then begins, and the public may make representations on the 'soundness' of the Plan. These will be the

subject of an independent Examination in December 2009. The Inspector's Report, which is binding on the Council, is expected in May 2010. Adoption of the AAP is expected in June 2010. This does not prevent work that conforms with the draft AAP commencing in advance of adoption.

11.4 Comments on the Preferred Options Report

Any comments and representations which you wish to make in relation to the Preferred Options Report are welcomed, but are requested no later than 5pm on Friday 30 May 2008.

Representations should be made to:

Miss Rea Psillidou

Development Plans Manager

South Lakeland District Council

South Lakeland House

Lowther Street

Kendal

LA9 4DL

developmentplans@southlakeland.gov.uk