



EDEN DISTRICT COUNCIL'S EMPLOYMENT LAND STUDY

EXECUTIVE SUMMARY

DECEMBER 2009

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1. Introduction

- 1.1 Drivers Jonas LLP was appointed by Eden District Council (the Council) in October 2009 to prepare an employment land study for the District. The Council requires a comprehensive study and report on employment land requirements for the District (excluding that area included within the National Park) covering the period up to 2021.
- 1.2 The overall purpose of the Study is to examine the current and future demand for employment land and premises and to undertake an assessment of the capacity of current supply / allocations to meet projected demand and forecast requirements. Specific consideration has also been given to the further extension to Eden Business Park in Penrith, which is proposed in the Council's emerging Core Strategy.
- 1.3 The Council's Brief highlights that the Study should follow the recommendations set out in the ODPM (now CLG) 'Employment Land Reviews Guidance Note' dated December 2004. In accordance with this, the Study has been carried out following the three-stage process set out in the Guidance Note. Further details on the approach taken to completing the Study are described at Chapter 2 of the main report.

2. Taking Stock of the Existing Position

Policy Context

- 2.1 Key national planning (and related economic) strategy objectives can be identified and summarised as follows:
 - n Maximise the use of Brownfield land and promote economy in use of land, including through the restoration of derelict and neglected land and buildings. Promote the modernisation and diversification of older manufacturing industry and their premises;
 - n Adopt a sequential approach to meeting development needs to reduce the need to travel, particularly for uses which generate travel demand. For offices, this includes directing development within or adjoining main city, town or district centres and near to public transport interchanges in urban areas;
 - n Plan for warehousing and distribution uses to avoid the unnecessary movement of goods by road, also taking into account of the need for proximity of labour supply, access by road, rail and ports / airports and for sites to be of a sufficient scale to allow for flexible development and expansion;
 - n Ability to accommodate mixed use development;

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- n Within the North West Region (and its constituent sub regions), there is a need to maintain a hierarchy of sites capable of meeting a full range of needs, including the making of appropriate provision in Key Service Centres.

2.2 The following table summarises the main relevant spatial priorities and objectives at the sub-regional and local level, including those associated with the different settlements and locations within Eden District:

Table 2.1: Sub-Regional and Local Level Spatial Planning Priorities

Area	Summary of Priority
Cumbria and Eden District-wide	<ul style="list-style-type: none"> • To reduce the dependency for high level services/jobs on towns outside Cumbria • To increase the viability and complementary nature of towns and villages throughout Cumbria • To promote the diversification and strengthening of the rural economy through the promotion of a range of varied employment opportunities in and adjacent to rural settlements. • Prioritisation of brownfield land • To develop and maintain high quality modern integrated transport networks
Penrith as a Key Service Centre	<ul style="list-style-type: none"> • Sustained development appropriate to that of a large town • Regenerating the town centre and encouraging redevelopment of important brownfield sites • Provision of strategic employment land • Provision of new housing • Upgrading links to the strategic road network • Improving the public transport system • The location for any large scale individual schemes
Other Key Service Centres of Alston, Appleby and Kirkby Stephen	<ul style="list-style-type: none"> • Moderate development appropriate to the scale of the town but including new housing, provision of employment, improvements and accessibility
Local Service Centres	<ul style="list-style-type: none"> • Small scale development within defined settlement limits to sustain local services, support rural businesses and meet local needs, including housing, provision of employment and improvements to accessibility
Smaller Villages, Hamlets, and Open Countryside	<ul style="list-style-type: none"> • Development limited to meeting an identified essential need

Overview of Socio-Economic Context

- 2.3 At the Eden-District level, a number of socio-economic characteristics can be identified which will have a bearing on existing and future economic prospects and conditions:
- n High GVA and economic activity and relatively low employment compared to neighbourly Districts and the North West Region as a whole;
 - n Relatively good educational performance but slightly under-average levels of pay compared to the UK average;
 - n Largest proportion of employees are within the distribution, hotels and restaurants industries. The area has a larger proportion of employees within the construction industry when compared to Cumbria and North West although it has one of the lower percentages within the manufacturing sector;
 - n The level of commuting is low compared to other local authorities across the North West; and
 - n Despite there being a number of positive economic factors as outlined above, constraints to economic performance and dynamism will stem from many factors including an ageing population, the decline of traditional heavy industries, the changing structure of agriculture and the rural economy and the remoteness of certain parts of the area.
- 2.4 At the sub-district level, a number of more localised characteristics can be identified, as shown in **Table 2.2**

Table 2.2: Socio-Economic Conditions by Key Service Centre

Location	Summary of Conditions
Penrith	<ul style="list-style-type: none"> • Population of 15,000, 60% of which are of working age (comparable to the average for rural service centres in Cumbria) • Accommodates approximately 10,000 jobs • Focus of current economic activity is in service sectors. Employment in the manufacturing sector is below the Cumbria average, whereas employment in transport and public administration, health and education is higher than the average for the County • Significant net in-commuting of labour and appears to perform quite strongly as a service centre • Average household income is relatively high for the County, being the third most affluent service centre in Cumbria (behind Kirkby Lonsdale and Windermere) • Reasonably good levels of housing affordability
Appleby	<ul style="list-style-type: none"> • Population of around 3,000, 54% of which are of working age, which is significantly lower than the average for rural service centres in Cumbria • Wide spread of economic activity, but with higher than Cumbria average levels of employment in construction, public administration, health and education and, lower than average levels in manufacturing and finance and business services • Significant out commuting (half of the working age population travels out of the area to

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Location	Summary of Conditions
Kirkby Stephen	<p>work)</p> <ul style="list-style-type: none"> Average household income is relatively low for the County. Allied with proximity to the National Park, housing affordability is less affordable than in Penrith (or Ulverston) <hr/> <ul style="list-style-type: none"> Population of around 2,550, 56% of which are of working age, which is lower than the average for rural service centres in Cumbria Wide spread of economic activity, but with higher than Cumbria average levels of employment in public administration, health and education and public industry and, lower than average levels in retail and hospitality Functions reasonably well as a self-contained employment centre but with some out-commuting of labour to other centres Average household income is relatively low for the County. Allied with proximity to the National Park and limited housing stock, it is ranked as the 4th least affordable rural service centre in Cumbria outside of the National Park
Alston	<ul style="list-style-type: none"> Population of around 2,100, 61% of which are of working age, which is slightly higher than the average for rural service centres in Cumbria Wide spread of economic activity, but with higher than Cumbria average levels of employment in retail and hospitality, public administration, health and education and, lower than average levels in manufacturing and finance and business services Significant out commuting (half of the working age population travels out of the area to work) Average household income is relatively low for the County, demonstrating the economic constraints imposed by its remote location Reasonably good levels of housing affordability

Source: 'Rural Growth Strategy Cumbria', NWDA (November 2009)

Employment Land Supply

- 2.5 The study area currently accommodates 459,000 sq m of existing employment floorspace, over half of which is in the manufacturing sector. Offices make the smallest contribution in terms of floorspace within the study area, accounting for 56,000 sq m or 12% of total existing space.
- 2.6 A current total of 91 vacant premises have been identified in the Study area, providing for around 21,663 sq m of floorspace. Around 82% of vacant floorspace is available for industrial / warehousing uses, with only 18% for offices. The average size of office opportunities is less than 100sqm whereas the average size of available industrial / warehousing premises is around 350 sq m.
- 2.7 Approximately 42 hectares of land is identified as contributing to the Study areas existing employment land supply. In excess of $\frac{3}{4}$ of this total is found within the Penrith sub area. Around 26 hectares of total supply is attributable to Local Plan allocations without planning permission, again focussed largely (but not exclusively) in the Penrith sub area.

- 2.8 The Study also considers the qualitative aspects of a number of employment sites and allocations across the Eden District, examining them in terms of their market attractiveness, sustainability and ability to deliver strategic planning and economic objectives. In overall terms, the largest proportion of the sites assessed were identified as being of good quality and worthy of retention for employment. A smaller number of sites were classified as being of moderate and poorer quality.

3. Future Employment Requirements

- 3.1 A number of approaches can be adopted to seeking to inform the level of future employment land likely to be required over the Plan period. In accordance with good practice, through this Study we have explored the level of future employment land requirements through both the adoption of economic forecasting and also demand-based approaches.

Market Demand

- 3.2 The Study has assessed market demand using a number of approaches including discussions with local commercial agents, a Stakeholder Workshop, review of property particulars and the outputs of a survey of local businesses commissioned as part of the employment land study.
- 3.3 Penrith, as the established commercial centre of the district benefits from proximity to the M6 presenting an opportunity for future growth. Commercial agents active in the district have reported the relative success of Penrith, and the importance that ongoing future identification of employment opportunities around Penrith will play in delivering strategic growth across the range of employment sectors.
- 3.4 Outside of Penrith, demand in other Service Centres such as Alston, Appleby and Kirkby Stephen has historically been relatively low. This is due to a combination of geographical location, fragmented links to the strategic transport network and suppressed commercial values. Even in locations with good strategic transport links such as Tebay, demand for commercial floorspace in such semi-rural locations is relatively weak.
- 3.5 The cyclical nature of the property market indicates that demand will return within the plan period and increased economic activity will require appropriate employment opportunities to meet future requirements.

Economic Forecasting

- 3.6 The results of economic forecasting provides for a modest increase in the amount of land predicted to be occupied in employment use in Eden District over the plan period.

- 3.7 It should be noted however that the forecasts represent the absolute minimum amount of land needed to accommodate a sectors' activities. This is because the figures do not allow for local market churn, the fact that existing floorspace will be lost to other non-B Class employment uses and, the associated need for there to be a selection of sites and premises to attract and offer sufficient opportunities for new business start ups, expansion, relocation and inward investment for a range of business sizes.

Analysis of Past Completion Rates

- 3.8 Through the Study an assessment of future requirements has also been undertaken based on the application of techniques which project forward past development rates (and applying various assumptions to take account of potential changes in market demand). The outputs of this exercise identify an employment land supply requirement over the period to 2021 of between 29 and 67 hectares.

4. Conclusions and Recommendations

The Amount of Required Future Employment Land Supply

- 4.1 It would appear that the identification of a 50 hectare requirement for Eden District through the Core Strategy is skewed towards the higher end of requirements although this figure is not unreasonable and will, if appropriately translated into site allocations, provide for a robust employment land portfolio.

The Proposed Eden Business Park Extension (Phase II)

- 4.2 It is clear that Penrith is the current main focus for employment growth and demand. The area offers a number of locational and other advantages over other settlements within the district and it is also evident that demand in other parts of the District is low. This picture is also reflected in our socio-economic analysis of the area and in the patterns of past take-up across the District.
- 4.3 As a matter of approach, the Study supports the overall direction of development adopted in the Core Strategy in terms of promoting strategic employment land and any large scale individual developments towards Penrith.
- 4.4 The identification of the Eden Business Park Phase II land through the Core Strategy is also supported as a potentially important component to meeting future quantitative and qualitative land supply requirements.
- 4.5 Delivery of the Phase II site will not be straight forward however due to the scale and associated costs of development infrastructure requirements. Necessary infrastructure would not be able to be funded by prospective developers of the Phase II employment land and the NWDA has indicated that public funding is presently unavailable.

4.6 Given this position, the Study recommends that the Council prioritise efforts on the delivery of the Phase I land with the Phase II land proposed for a later part of the Core Strategy period. Recommendations are also made on possible ways of promoting delivery of the site so that it can make an effective contribution to future supply.

Maintaining a Portfolio of Sites

4.7 The sites specifically assessed as part of this review have been ranked according to their importance and function in the employment land hierarchy. Site classifications and associated planning policy response for each type of classification are summarised in the following table. The classifications applied to individual sites are included in the main report.

Table 4.1: Site Classification and Recommendations

Classification	Recommendation
Very Good (VG)	Protect for B Class employment use
Good (G)	Protect for B Class employment use
Moderate (M)	Normally protect for B Class employment use – apply criteria-based policy to consider other employment-generating (and also non-employment generating uses) through the development control process
Poor (P)	Potential for release to other forms of development where in existing employment use. Where in current non-employment use, likely little potential for future employment
Owner Specific (OS)	Sites and Allocations reserved for use by a specific occupier to be carried forward in the Plan subject to confirmation by the occupier / owner of the requirement
Other (O)	Potential for mixed use development with appropriate level of employment as part of overall mix

Provision of Additional Employment Opportunities

4.8 As noted, the Study accords with the Council’s overall spatial approach of seeking to focus the majority of future new and major employment growth, towards Penrith. That said, providing additional opportunities for (small-scale) sustainable employment across the full spectrum of employment use classes serving Penrith and the other Key Service Centres of Eden District will be important in order to promote a vibrant economy as a whole.

4.9 To address this issue, we would recommend the inclusion of a suite of policies in the Development Plan to maintain and enhance opportunities for appropriate employment development within and on the edge of settlements as well as within rural areas more generally.