

Carlisle Employment Sites Study: Implications for M6 Corridor

Final Report



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Executive Summary

Context

The Carlisle Employment Sites Study: Implications for the M6 Corridor, sets out a comprehensive assessment of employment land supply and demand over the next 20 years, and provides recommendations to support the future prospects of Carlisle in synergy with sub regional and regional actions and priorities. The Study has been overseen by a Steering Group comprising representatives from Carlisle Renaissance, Carlisle City Council, Cumbria County Council, Cumbria Vision and Invest in Cumbria, and has three key objectives:

- To provide a robust and justified evidence base to underpin the LDF and other planning documents
- To balance market dynamics and growth ambitions to ensure that employment land supply in Carlisle supports policy aspirations and meets the needs of businesses and prospective occupiers and investors
- To provide options for the delivery of employment sites, specifically those on the M6 Corridor and those in Council ownership

The key findings that have emerged from this study are:

- At face value there is a quantitative surplus of employment land in the Carlisle District but there is a spatial imbalance with the majority of land and premises to the north of the city away from concentrations of population to the southern areas of the City
- Much of Carlisle's available employment premises are unsuited to modern needs in terms of quality, size, type and location. In respect of the City's employment sites only 15% fall within the 'top' scoring category indicating a need for investment to improve the economic contribution of those sites falling within the remaining 'moderate' and 'lower' categories
- The market for employment land and premises is dominated by two landowners (Kingmoor Park Properties Ltd and Carlisle City Council) with this being identified as limiting choice and acting as a constraint on business growth
- The most realistic spatial option going forward to address qualitative shortfalls in supply is to provide targeted growth and investment to existing employment sites, Carlisle City Centre (including addressing accessibility issues) and in Key Service Centres. A number of Priority Investment Locations are identified to fulfil this aim
- Moving forward there must be a co-ordinated approach requiring key partners to work together to determine the development and implementation of the strategy for future employment land supply within Carlisle

Carlisle's Opportunities and Challenges

Carlisle's Growth Point status sets ambitious targets for population and housing growth, but this cannot be considered in isolation of economic growth. Attracting new residents will require the provision of new employment opportunities, especially higher skilled opportunities. This is a particularly acute issue given Carlisle's predominantly rural hinterland.

The M6 Corridor is identified as a key economic driver for Carlisle and is a priority for Carlisle Renaissance. This study seeks to understand the relationship between potential new and existing employment opportunities along the M6 Corridor and elsewhere in the District, particularly the City Centre and other brownfield locations, to identify how these may complement or compete with one another in order to maximise economic growth. Development of the CNDR and the Airport will improve perceptions of Carlisle as an accessible place to do business.

Carlisle's employment land strategy must maximise the potential of all its assets; provide a balanced portfolio of land which meets the needs of a full range of businesses; provide employment opportunities for existing residents; and support the aspirations for economic and housing growth in the District.

Approach to the Employment Land Study

Our approach to this study is consistent with ODPM guidance for conducting Employment Land Studies in order to provide a sound evidence base for the LDF. It has comprised three main stages:

- Stage 1: Taking Stock of Supply
- Stage 2: Projecting Demand
- Stage 3: Developing the Strategy

Stage 1: Taking Stock of Supply

Quantitative Assessment: In total there is a current (January 2010) short term supply¹ of 183,111 sq m (2m sq ft) of employment floorspace within Carlisle's employment sites. This is a very large supply for a District of this size. However, there are a number of points to be noted about this supply:

- The majority of available space (82%) is often lower quality second hand B2 (industrial) or B8 (storage/distribution) use class, indicating a shortage of modern employment space and a shortage of office space
- Whilst a larger proportion of available B1 office space is new or refurbished (55%), the locational choice of this supply is often limited to out of town locations such as Parkhouse
- Spatially, the majority of all short term supply is within the North Carlisle employment sites

A total of 68.4 hectares of allocated employment land remains uncommitted in the District (March 2010). 50.5% of this is in the North of Carlisle at Kingmoor Park (including 10ha at Brunthill). A further 20 hectares is due to be allocated at Brunthill between 2011 and 2016.

Qualitative Assessment of Sites: 54 existing and proposed employment sites were assessed as part of this study. The sites were identified by the City Council and confirmed by the Steering Group. Their quality was assessed under the headings in the Government guidance i.e. 'market attractiveness', 'sustainable development' and 'strategic planning'. Full details can be found in Section 3 of the report and the results can be summarised as follows:

- **8 out of the 54 sites assessed (15%) fall within the 'top' scoring category overall** - including Kingmoor Park; Kingstown Industrial Estate; Parkhouse; Port Road Business Park; Carlisle Airport; Denton Holme Trading Estate; Viaduct Estate Road North; and Rosehill Industrial Estate
- **33 sites (61%) fall within the 'moderately' performing category** - including Viaduct Estate Road South; Botchergate/Lancaster Street; Durranhill; Harraby/Harraby Junction; and Borders Business Park/Longtown
- **13 sites (24%) fall within the 'lower' performing category** - these sites generally have poor accessibility, limited market attractiveness, are isolated or lack an existing employment allocation status

¹ Short term supply comprises available (marketed) premises plus employment premises under construction or sites with planning permission. NB. This figure includes the now undetermined Stobart planning application at Carlisle Airport

Stage 2: Projecting Demand

The study employs two methods of projecting future demand as recommended by ODPM guidance, the key findings of which are summarised in the box below. Further detail can be found in Section 5 of the main report.

Projecting Past Trends - using evidence of historic demand for employment land and floorspace.

- Carlisle's commercial property market is highly localised thus constraining the scale of demand, but conversely providing relative protection from the peaks and troughs of economic cycles
- 49 ha of employment land, averaging 9.8 hectares per annum has been taken up in Carlisle over the last five years, accounting for almost half of Cumbria's take up. Abnormal peaks in development activity mean that a two year average may be more reflective of true take up levels, and equates to 1.7 hectares per annum
- On average 9,405 sq m of employment floorspace per annum has been transacted over the last five years, equating to approximately 2.3 hectares per annum. Less than 30% has related to office transactions

Employment Forecasts - two bespoke forecasts commissioned from Experian, factoring in forecast economic trends and growth aspirations.

- The baseline (policy off) scenario forecasts a rise in total FTE employment of 1,200 (2.4%) in Carlisle between 2009 and 2026, compared to a total increase of 4,300 FTE jobs (8.6%) under the aspirational scenario
- Looking specifically at office, industrial and warehousing employment, the baseline scenario forecasts a decline of 200 FTE jobs (2009-2026) in Carlisle. In contrast, the aspirational scenario forecasts an increase of 1,500 FTE jobs - which includes an increase in warehousing employment of 1,000 FTE roles (reflecting its role as a key growth sector) and, 900 FTE office jobs
- The two scenarios forecast that total office, industrial and warehousing floor space requirements in Carlisle will increase by 3,100-54,000 sq m (33,370-58,130 sq ft) over the period 2009-2026. This translates into overall land requirements of between 0.7 hectares and 13.0 hectares in Carlisle
- Both scenarios forecast a decline in industrial employment and therefore floorspace requirements, although this fails to take account of a continued need for modern manufacturing premises

Stakeholder Issues and Opportunities Analysis

A number of stakeholders were consulted as part of this study including public and private sector partners from. 300 Carlisle businesses were consulted via a telephone survey. The main messages emerging from the consultations are summarised in the box below.

- The M6 is a strategic asset which must be fully exploited. The preferred approach to maximising this asset is to focus investment on existing sites near to the motorway rather than opening up new sites. Strong support for investing in other priority locations such as the City Centre was also expressed
- Most supported the view that the focus of employment land in the north of the District can restrict access to employees in the more deprived southern parts of Carlisle.
- Poor access, congestion, a lack of affordable long stay parking, poorer quality stock and competition from out of town developments are perceived to be undermining the potential for a vibrant office market in Carlisle City Centre
- The perceived dominance of landowners Carlisle City Council and Kingmoor Park Properties is identified as limiting choice, anti competitive and potentially acting as a constraint on growth
- New office space and small to medium sized premises on long leasehold/freehold terms, preferably in City or edge of centre locations or with motorway access are identified as priority future requirements
- ICT capacity is identified as a potential future constraint - Carlisle must keep pace with other locations
- Strong public sector leadership is required to drive growth aspirations and ensure delivery of key sites

Stage 3: Developing the Strategy

Gap Analysis

The gap analysis considers the gap in quantitative terms between demand and supply and also identifies qualitative gaps.

It concludes that Carlisle, at face value, has a surplus of supply over demand for employment land, with the short term supply alone being equivalent to between 19 and 55 years supply. Looking forward, the longer term supply provides a further 30 to 85 year supply, with Kingmoor Park alone accounting around half of this. However this does not tell the whole story. There are a number of important qualitative issues in relation to employment land supply which must be addressed in order to ensure the District is positioned to maximise economic growth.

Geographic Gaps: There is a relatively limited pipeline supply of employment land outside the northern parts of the District. Some existing and accessible employment locations in the south and south east are arguably not fulfilling their potential contribution to Carlisle's economy e.g. Durranhill and Rosehill.

Quality & Product Gaps: Much of Carlisle's available stock is unsuited to modern needs, generating an identified requirement for:

- **Offices:** Modern, good quality small to medium sized (up to 1,860 sq m (20,000 sq ft)) premises in the City Centre, and small quality serviced offices in sustainable locations throughout the District
- **Industrial:** Good quality 'ladder of supply' suited to modern manufacturing processes; and higher value activity; starter and follow on units to support key sectors. Supply is especially limited in the south
- **Warehousing:** Wider choice is required and is likely to focus on the Airport in line with Masterplan recommendations. There may be a longer term justification for opening up land at Junction 42

Thematic Gaps identified to support the employment land portfolio include:

- Perceived issues in relation to the availability and affordability of long stay car parking in the City Centre, as well as movement issues in and around the City Centre
- Difficulties in accessing employment opportunities in the north from deprived areas in the south
- A shortage of skills, both basic skills and higher level skills
- Perceived lack of a 'business friendly' culture within the public sector
- A lack of available freehold/long leasehold premises and land

Options for the Provision of Employment Land

Spatial Options: Three spatial options have been identified each driven by a different level of growth as indicated by aspirations and employment forecasts. These have been subject to a headline assessment based on economic development, environmental sustainability and planning conformity.

'Maintaining the Status Quo' would appear to be the preferred spatial option offering the most realistic way forward for Carlisle. This would achieve targeted growth in priority locations (existing priority employment sites, the City Centre and Key Service Centres) through pro-active intervention to address qualitative shortfalls in supply.

Site Specific Intervention Options: The study divides the assessed sites into four broad categories:

- Priority Investment Locations
- Retain and Manage: (a) Intensive Management and/or Special Policy and (b) Monitoring

- Consider Alternatives (Consider permitting flexibility of use if ever vacated)
- Change of Use (Employment sites which could be released immediately for alternative use)

The Priority Investment Locations and recommendations are identified below.

Priority Investment Location	Recommended Delivery Mechanism
Durranhill Industrial Estate	Joint Venture or Private sector lead; public sector gap funding/enabling
Rosehill Industrial Estate	Private sector lead, proactive support from Council
Carlisle Airport	Private sector lead, Masterplan, supportive planning framework (SPD)
Kingmoor Park and Brunthill	Private sector lead, control through planning (SPD)
Viaduct Estate Road North & South	Joint Venture or private sector lead; public sector gap funding/enabling; Supportive planning
Botchergate/Lancaster Street	Private sector lead; public sector gap funding/enabling; supportive planning
Newtown Industrial Estate	Public sector funding (access and environmental improvements)
Harraby	Public sector coordinating and supporting delivery of starter/follow on units.

Actions plans for these sites can be found in Appendix F and recommendations for other site categories in Section 8 of the main report.

Call for Sites - Recommendations: The Study makes the following recommendations in relation to sites submitted through the Call for Sites process.

- **Harraby Junction** - take forward as an employment site within the short to medium term and recognise its potential to open up access to Harraby for development
- **NW Junction 42** - identify as a reserve site for longer term use or for special circumstances where there is no alternative site for a proposed major occupier or use
- **Sites along the CNDR** - further consideration should be given to CNDR as a development corridor in the light of supply messages and the potential risk to undermining other locations and spatial priorities

Monitoring

It is critical that the implementation of the Employment Strategy is monitored by the City Council. This study provides a useful baseline and the key indicators included should be reviewed and kept updated. Progress on priority sites should also be monitored individually.

Next Steps

Moving forward there must be a co-ordinated approach to determining the strategy for future employment land supply within Carlisle. This report has established options for consideration. All key Council departments, including planning, economic development and property services, must work alongside other partners, such as Cumbria Vision and Cumbria County Council, to develop a strategy and implementation plan which takes forward the various elements highlighted in the final section of this report in a way which is acceptable to all.

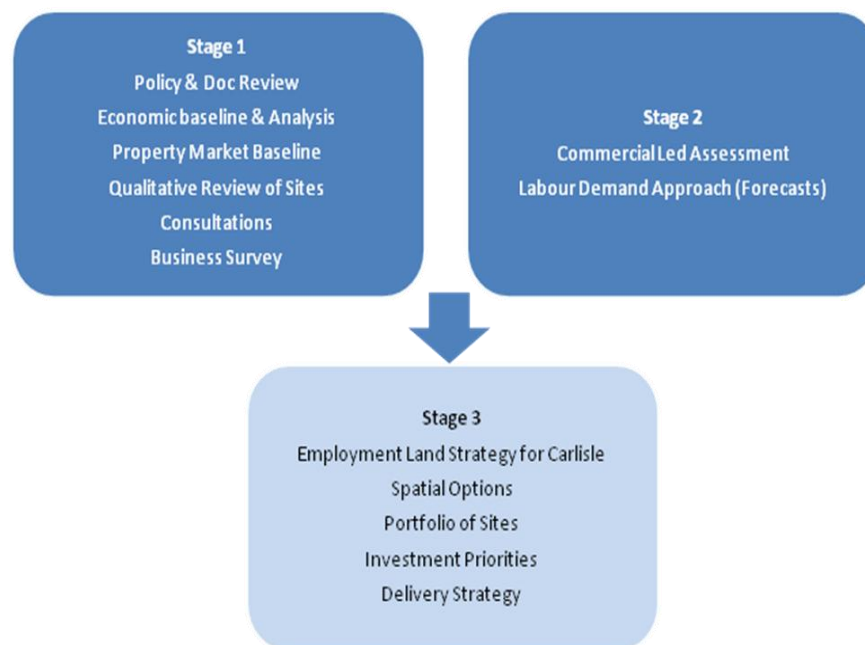
1.0 Introduction and Context

Objectives for the Study

- 1.1 This reports sets out a comprehensive assessment of Carlisle's employment land supply and demand over the next 20 years including forecasts, and sets out recommendations to support the future prospects of Carlisle in synergy with sub regional and regional actions and priorities.
- 1.2 It recognises the potential of the M6 as a key driver as a key economic driver for Carlisle and a priority for Carlisle Renaissance. However, it seeks to understand the relationship between potential new and existing employment opportunities along the M6 Corridor and those elsewhere in the District, particularly the City Centre and other brownfield locations, to identify how these may complement or compete with one another in order to maximise economic growth.
- 1.3 The study builds upon several pieces of work that have been carried out over the last couple of years to understand the issue of employment growth potential and the supply of employment land within the Carlisle District. It has three key purposes.
- 1.4 **A robust and justified evidence base to underpin the planning policy framework:** A key objective of the study is to provide a comprehensive assessment of the current and future supply of and demand for employment land within Carlisle, and the implications of this for potential new opportunities around the M6 motorway junctions. The research will form a key element of the evidence base to support the Local Development Framework (LDF) and will also provide evidence for the preparation of local development documents for new housing provision and individual planning applications in relation to the loss of employment land, particularly in light of Carlisle's Growth Point status.
- 1.5 **Delivering growth:** The research builds upon previous work to ensure economic development aspirations are allied with planning concerns. Importantly it balances an understanding of market dynamics to ensure the future supply does not constrain economic ambitions and takes account of realistic market expectations. It will help partners to position Carlisle as a district that is 'open for business' - supporting to the needs of existing businesses and keen to support the requirements of potential occupiers and investors.
- 1.6 **Providing options on the delivery of employment sites, specifically those on the M6 junctions and those in Council ownership:** It sets out options in terms of the quality of the supply and the potential phasing for new supply to ensure that the portfolio of employment sites within the District are able to meet the needs of existing occupiers and attract new businesses. It takes into consideration the pressures of the perceived north/south divide and takes into the account the need to support areas of deprivation by increasing access to employment opportunities.

Approach

- 1.7 DTZ's approach to undertaking the commission is summarised below. Additional local knowledge has been provided by Carlisle based agents Walton Goodland.



1.8 The Study Steering Group met regularly at key stages during the commission. The Steering Group comprises representatives from the following organisations:

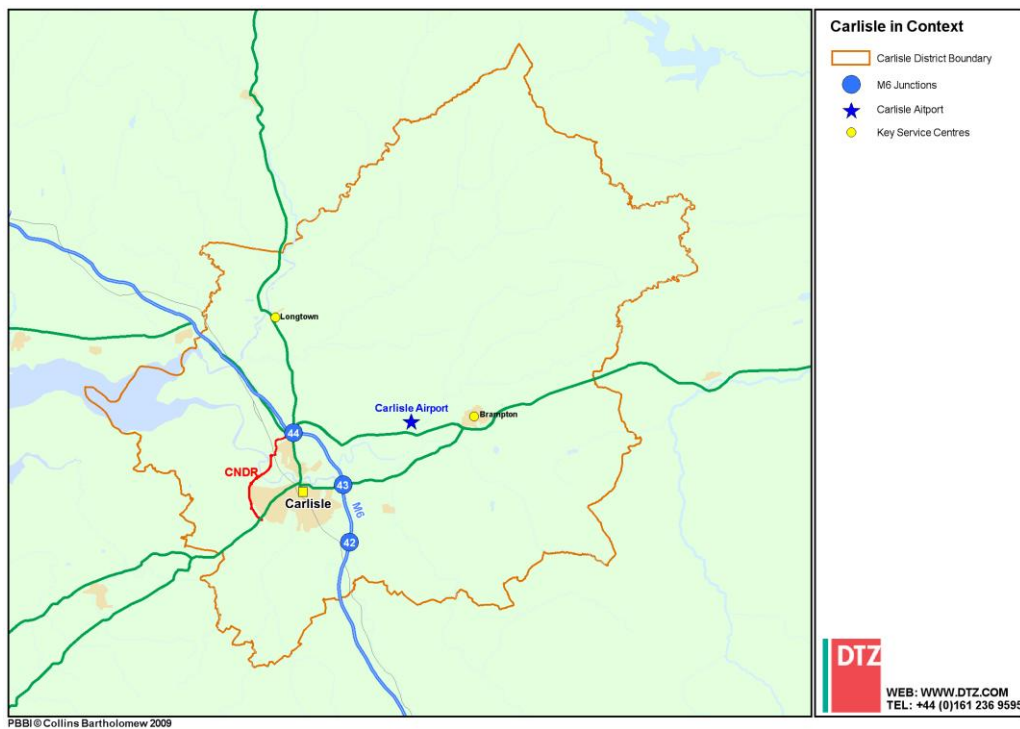
- Carlisle Renaissance
- Carlisle City Council
- Cumbria County Council
- Cumbria Vision
- Invest in Cumbria

Carlisle in Context

1.9 The District of Carlisle covers an area of approximately 1,041 sq km and is situated to the far north of the Cumbrian County, bound by the Scottish border, approximately 9 miles to the north west. The City of Carlisle and its surrounds form the principle urban area to the south east of the District. The remainder of the District is predominantly rural in nature, with the exception of the Key Service Centres of Longtown to the north and Brampton to the east.

1.10 The M6 motorway runs through the south of the District linking the City of Carlisle to south west Scotland and the Lake District. Carlisle benefits from three M6 motorway junctions at Carleton (J42), Rosehill (J43) and Kingstown (J44). However, some urban areas to the south west of the City are currently relatively isolated largely due to the barrier presented by the River Eden. The Carlisle Northern Development Route (CNDR) which is due for completion in 2012 will help to open up these areas by providing a western link to the M6 at J44.

Figures 1.1 & 1.2 Carlisle in Context



Source: DTZ

Policy Context Overview

1.11 A detailed review of policy is provided at Appendix A. The following broad consistent messages emerge from the policy review:

- **Need for Evidence** - there is a clear planning requirement for a comprehensive employment land review in Carlisle to support an evidence based approach to development
- **Spatial Priorities** - major development should be focused in Carlisle City to help build its role as a sub-regional centre, with further development in the Key Service and Local Centres. This approach should help raise the attractiveness of Cumbria as a place to live, work, invest, study and visit
- **Brownfield Land** - the main objective of the Local Plan is to make best use of the existing land resource by maximising the use for development of urban land, especially where it is vacant, derelict or contaminated, and protecting the open countryside from non essential development
- **Sustainability** - sustainable development and growth is a consistent theme across the policy context at all levels, with the Regional Spatial Strategy (RSS) recommending that significant economic development is located close to sustainable transport nodes making Carlisle City the most appropriate location for major development, followed by the Key Service and Local Service Centres
- **Availability of Employment Land** - employment land should be appropriate and readily available to allow business growth and locational, type and tenure choice
- **Skills** - higher education, skills and research, and the University of Cumbria in particular all play an important role in transforming the economy and raising aspirations

1.12 There are some messages emerging from the policy framework which are less consistent:

- **Required Supply** - regionally the RSS and JSP (Joint Strategic Partnership) identify an over-supply of employment land across Cumbria in quantitative terms and consequently require the de-allocation of land. However within Carlisle, the Local Plan allocated an additional 77 hectares but in doing so de-allocated 28 hectares of land at Kingmoor Marshalling Yard, the Employment Sites Baseline Review suggests a possible requirement for an additional 20-30 hectares above current allocations, and the Economic Strategy highlights the need to determine new employment land allocations and improve the stock of business premises. The Growth Point Bid also points to the shortage of employment sites to the south of Carlisle and suggests that this should be addressed through the 'Call for Sites' process in the preparation of the LDF
- **Spatial Disparity** - the Economic Strategy SWOT Analysis acknowledged the importance of the Regional Investment Site at Kingmoor Park, but also highlighted how a shift in demand for industrial property in the north of Carlisle could make it more difficult for those living in the more deprived areas of Carlisle South to access employment opportunities
- **Accessibility** - the Carlisle Development Access Study highlighted how many of the potential southern employment sites are constrained by poor access and constraints from the River Petteril and rail lines which cut through the area. This directly conflicts with the RSS requirement to be close to sustainable transport nodes

- **Conflict in Demand for Development Land** - Carlisle's forecast growth in population and the resulting increased need for housing and employment land may generate conflicting aspirations for some sites. Development of employment land for other purposes will be considered where it is likely to remain unsuitable for employment purposes; or are in excess of the requirements of the Key Service Centre or market sector

Socio-Economic Context Overview

1.13 The key messages from the socio-economic review are set out below. The full review is provided in Appendix B:

- Carlisle's total population stood at 103,700 people in 2008, growing at a rate above that of the Cumbrian and North West average since 2000. Carlisle's working age population also grew faster than the Cumbrian and regional average within the same time period but was below the national average
- The total population of Carlisle is projected to grow to 118,600 people by 2026, growing faster than Cumbria, the North West and England. The working age population is also expected to grow, but at a slower rate than the English average. As in the case nationally, older age groups (over 60 years old) are expected to grow at the fastest rate in Carlisle
- Relative to Cumbria, the North West and England, Carlisle has a lower skilled working age population, with the smallest proportion of people qualified to university level and the highest proportion of those without any qualifications
- Of the 354 local authorities in England in 2007, Carlisle was ranked as the 110th most deprived. Education IMD (Index of Multiple Deprivation) may be more of a concern for Carlisle with 14 Lower Super Output Areas (LSOAs) within the top 10% most deprived in England
- Employment growth of 15.3% in Carlisle and Cumbria has been above regional and national averages between 2000 and 2008
- The public sector and distribution, hotels & restaurants sector were the two largest sources of employment within Carlisle in 2008, accounting for more than half the total jobs in the area. Carlisle has a much smaller banking, finance and insurance sector than the North West and England
- The manufacturing sector declined by 20.3% between 2000 and 2008 in Carlisle, in line with long-term decline across the country. Construction was the highest growing sector within the timeframe, whilst the public sector and distribution, hotel and restaurant sectors were the largest sources of absolute employment growth
- A significantly lower proportion of Carlisle's working age population are employed in the higher occupational groupings relative to Cumbria, the North West and England
- The lack of high occupational jobs may explain the significantly lower average gross weekly wages for people living in Carlisle, relative to Cumbria and the regional and national averages
- Gross Value Added (GVA) per head is higher in East Cumbria than the Cumbrian and regional averages, however it is below the English average

- In line with national trends, Carlisle's claimant count has risen sharply since the start of the recession in 2008 and stood at 3.2% of the resident working age population in March 2010. However, this actually represents an improvement on the figure of 3.5% 12 months earlier. The area also compares well to the national (4.2%) and regional (4.7%) averages, with only Cumbria (2.9%) having a lower proportion of its working age population claiming Job Seekers Allowance
- Carlisle has a relatively low rate of new business generation, however net stock of VAT registered businesses has grown faster than the other benchmarked regions
- Between 2003 and 2008, office-based businesses grew substantially by 38%, representing an additional 300 companies. The main sub-sectors responsible for this growth were: real estate activities and other business activities (including legal activities, accountancy, financial management etc). Over the same time period, warehousing businesses also grew - by just over 14% and industrial businesses remained fairly constant
- The majority of office, industrial and warehousing businesses in Carlisle employ between 1 and 10 people

Sites Considered in this Study

- 1.14 Table 1.1 lists the sites considered in the analysis of supply and demand in this study. Sites considered include existing Primary Employment Areas; Land Allocated for Employment Development; Mixed Commercial Development Sites; and additional sites identified for potential employment uses through the recent LDF Call for Sites process. A full plan showing the location of the sites can be found in Section 2.

Table 1.1 Sites Considered within the Study by Broad Employment Area²

Site/Map Ref	Site Name	Site/Map Ref	Site Name
North Carlisle			
1	Kingmoor Park & Brunthill	4	Kingstown Industrial Estate
2	Kingmoor Park - Northern Sites	5	Kingmoor Industrial Estate
3	Parkhouse	53	Gearshill Extension
West Carlisle			
6	Burgh Road Industrial Estate	10	South West of Morton
7	Newtown Industrial Estate	11	Pirelli, Dalston Road
8	Willowholme Industrial Estate	47	Burgh Road Industrial Estate Extension
9	Port Road Business Park		
South East Carlisle			
12	Harraby	17	Rosehill Industrial Estate
13	Harraby Depot	18	Botcherby/Rosehill Extension
14	Durranhill Sidings	19	Riverside, Warwick Road
15	Durranhill Industrial Estate	20	Upperby Depot
16	Harraby Green Business Park	48	Harraby Junction
City Centre and Edge of Centre			
33	Nelson & Norfolk Street (3 sites)	40	Currock Road East (Rickerby's) & West
34	Peter Street (North City Centre)	41	James Street and Water Street
35	Denton Holme Trading Estate	42	Botchergate and Lancaster Street
36	Caldewgate (north of Junction Street)	43	Viaduct Estate Road South
37	Caldewgate (south Junction St to Lorne Csnt)	44	Viaduct Estate Road North

² See Figure 2.1 for location of sites

Site/Map Ref	Site Name	Site/Map Ref	Site Name
38	Denton Business Park (Lorne St to River)	45	Laings, Dalston Road
39	Carlisle Enterprise Centre/James Street		
Key Service Centres			
21	Longtown Bridge	24	Townfoot Industrial Estate
22	Borders Business Park, Longtown (4 sites)	25	Brampton Irthing Business Centre
23	Brampton East (2 sites)	26	Brampton Garage (2 sites)
Rural and Local Service Centres			
27	Carlisle Airport	46	Warwick Mill Business Centre
28	Sandisyke, South of Longtown	49	Barras Lane IE Extension, Dalston
29	Whitesyke, SE of Longtown	50	Carlisle Airport Extension
30	Stead McAlpin Cummersdale	51	Junction 42, Carleton Road
31	Barras Lane Industrial Estate	52	M6 NE of J42, Newlands Farm, Carleton
32	Nestle, Dalston	54	Land at Orton Road

Report Structure

1.15 The remainder of this report is structured as follows:

- **Section 2** - takes stock of the supply of employment land by site and broad geographical area
- **Section 3** - provides a qualitative assessment of the 54 identified sites in terms of market attractiveness, sustainable development and strategic planning
- **Section 4** - considers the key drivers of the market and assesses past demand
- **Section 5** - assesses future demand under baseline and aspirational scenarios
- **Section 6** - summarises the key messages from consultations with key stakeholders
- **Section 7** - brings together the assessment of supply and demand to identify gaps
- **Section 8** - sets out our recommended future strategy for employment land in Carlisle

2.0 Taking Stock of Supply

Key Messages

- In 2008 there was an estimated 1.2 million sq m (12.9 million sq ft) of commercial floorspace in the district of Carlisle, representing over a quarter of sub-regional supply, but just 1.7% regionally, thus highlighting Carlisle's sub-regional importance, but also the District's limited commercial scale regionally
- Offices have provided the largest proportionate growth in employment floorspace since 2005 (15.7%), well above sub-regional and regional averages. Factory space has decreased but warehouse space has increased
- The employment sites in Carlisle can be grouped by location into five main employment areas. Namely, Kingmoor Park and North Carlisle, South East Carlisle, West Carlisle, City Centre and Edge of Centre and Key Service Centres. Additional sites are within more rural locations and local service centres
- There is currently 105,954 sq m (1.14 million sq ft) of commercial floorspace being marketed as available for sale or to let across the Carlisle district. This represents an 8.8% vacancy rate on total commercial floorspace. Around 40% of available space is new or refurbished
- Spatially, the majority of available floorspace, floorspace under construction and remaining allocated employment land is at Kingmoor Park and the other North Carlisle employment sites
- As at January 2010, the total planning pipeline stood at 77,156 sq m (830,530 sq ft), of which 33% is under construction. The Airport and Kingmoor account for much of this pipeline
- Key development proposals on employment land include the Hub at Kingmoor Park, a residential led urban extension at South West Morton, and food retail at Caldew Riverside (Viaduct Estate Road), Willowholme Industrial Estate and Durranshill. Some of these, such as The Hub, will enhance employment potential on key sites, others will lead to a loss of employment land
- 68.4 hectares of allocated land remained in the District as at March 2009. 50.5% of this is located in the north of the city at Kingmoor Park. Taking land under construction and land with planning permission into account, there is a total of 95.5 hectares of land available

Introduction

2.1 This section provides an analysis of the existing and anticipated future supply of employment sites and space within the Carlisle District, and includes Penrith in Eden as a comparison where appropriate. More specifically it covers:

- Total Existing Supply
- Carlisle's Main Employment Areas
- Current Availability of Employment Premises
- Future Supply
- Implications for Employment Land Review

Total Existing Supply

- 2.2 Floorspace statistics from the Department of Communities and Local Government (CLG) show the total volume of commercial floorspace in an area and can provide an indication of the extent to which floorspace has changed over the time.
- 2.3 The most recently available statistics indicate that in 2008 there was in the region of 1.2 million sq m (12.9 million sq ft) of commercial floorspace in the District of Carlisle, representing 27.4% of the total 4.4 million sq m (47.8 million sq ft) across the Cumbrian sub-region as a whole, but just 1.7% of the 68.3 million sq m (735.2 million sq ft) across the North West. This compares to just 466,000 sq m (5 million sq ft) in the neighbouring District of Eden. These figures indicate Carlisle's sub-regional importance, but also highlight the District's limited commercial scale regionally.
- 2.4 As would be expected, in each of the benchmark areas factories and warehouses make up the majority of the floorspace. In Carlisle (2008) offices represent 14% of the district total, almost on par with 13% in Eden and across wider Cumbria, but a lower proportion compared to that regionally (17%).
- 2.5 Table 2.1 below provides an analysis of the changes in volume of commercial floorspace in Carlisle, Cumbria and the North West since 2005. The most telling statistic is the growth of commercial offices in Carlisle, which has grown to 15.7% since 2005 has exceeded that achieved in Eden (12.2%), sub-regionally (10.9%) and more than doubled the pace of growth in the North West (7.2%) - acknowledging that this growth has been from a significantly smaller base. Carlisle's commercial office growth equates to an additional 16,000 sq m (172,230 sq ft) of floorspace across the District. Clifford Court at Parkhouse Business Park, completed in 2008 and providing in the region of 87,000 sq ft (8,083 sq m) of pavilion style office space off Junction 44 of the M6 has accounted for around 50% of this growth.
- 2.6 The total stock of factory space in each of the benchmark areas except Eden (1.6%) has decreased over the 2005-2008 period largely due to the national trend of declining of manufacturing industry. At 6.9% the pace of decline in Carlisle has been similar to that of the wider North West region (-6.7%), but has greatly exceeded the 3.7% decline witnessed sub regionally across Cumbria. The proportion of warehouse space in Carlisle has grown over the same period at a similar rate (3.6%) to that evidenced for the North West (3.9%), representing around 18,000 sq m (193,760 sq ft) of additional floorspace within the District.

Table 2.1 Change in Commercial Floorspace Supply, 2005-2008 (thousand sq m)

	2005	2006	2007	2008	Change	% Change
Carlisle						
Offices	157	168	172	174	17	10.8
<i>Commercial</i>	102	114	117	118	16	15.7
<i>Other</i>	55	54	56	56	1	1.8
Factories	563	548	521	524	-39	-6.9
Warehouses	502	516	528	520	18	3.6
Eden (Inc. Penrith)						
Offices	54	56	60	61	7	13.0
<i>Commercial</i>	41	42	45	46	5	12.2
<i>Other</i>	13	14	15	15	2	15.4
Factories	251	248	252	255	4	1.6
Warehouses	137	146	150	150	13	9.5

	2005	2006	2007	2008	Change	% Change
Cumbria						
Offices	549	568	584	596	47	8.6
<i>Commercial</i>	376	395	407	417	41	10.9
<i>Other</i>	173	173	178	179	6	3.5
Factories	2,470	2,445	2,369	2,379	-91	-3.7
Warehouses	1,389	1,424	1,436	1,422	33	2.4
North West						
Offices	11,060	11,322	11,508	11,788	728	6.6
<i>Commercial</i>	8,861	9,091	9,255	9,500	639	7.2
<i>Other</i>	2,199	2,231	2,253	2,288	89	4
Factories	34,205	33,351	32,615	31,918	-2,287	-6.7
Warehouses	23,660	24,276	24,604	24,592	932	3.9

Source: Commercial and Industrial Floorspace Statistics, Communities and Local Government, ONS 2005-08

Carlisle's Main Employment Areas

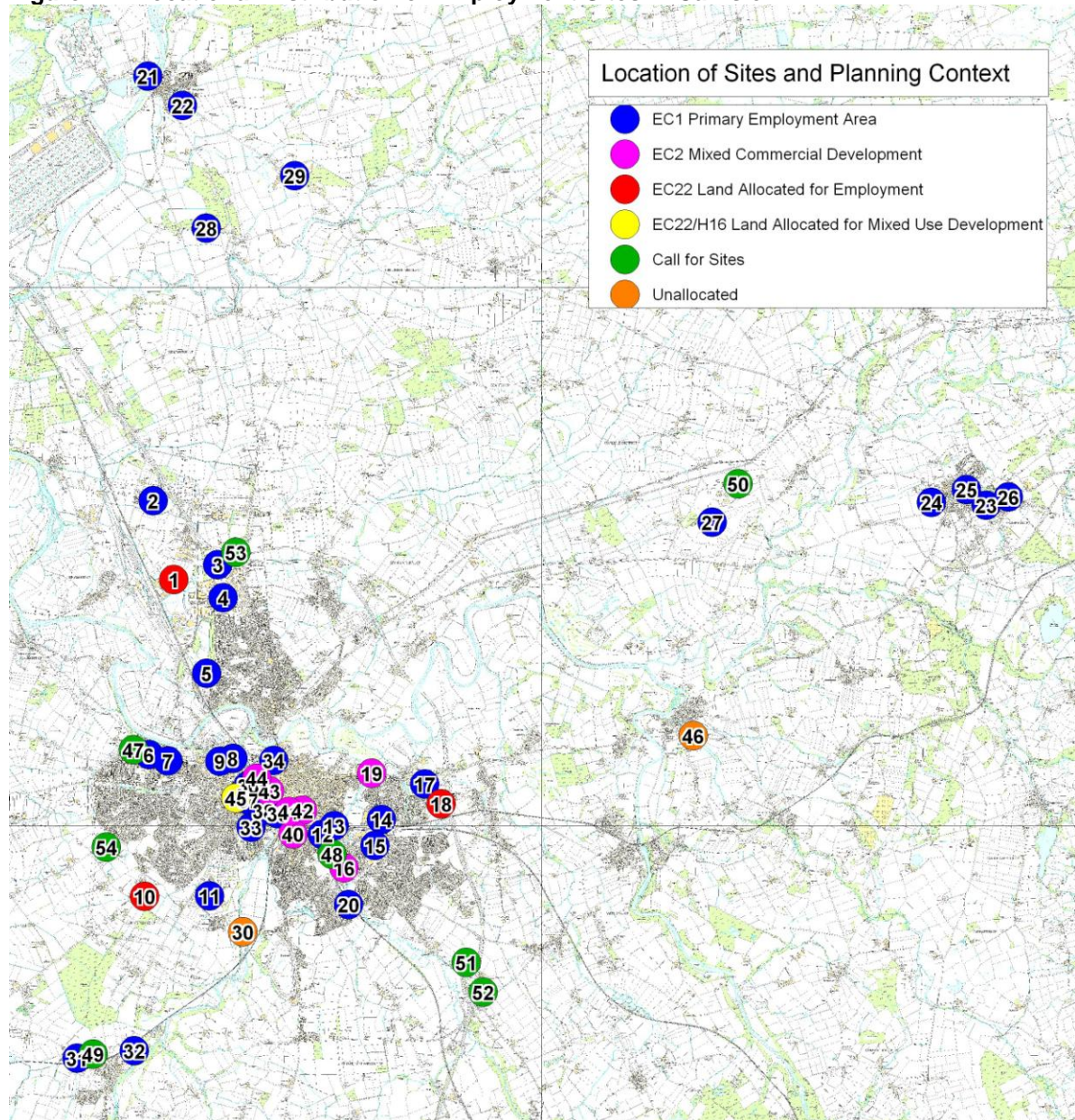
2.7 Figure 2.1³ shows the locational distribution of employment sites across the Carlisle District. The main employment areas are found at:

- **Kingmoor Park and North Carlisle** - a cluster of employment sites around Kingmoor Park to the north of Carlisle City Centre and south of Junction 44 of the M6
- **West Carlisle** - a cluster of employment sites along Newtown Road within two miles of the City Centre, and to the south west of the City near Morton
- **South East Carlisle** - Harraby, Durranhill and Rosehill situated between Carlisle and junctions 42 and 43 of the M6
- **City Centre and Edge of City Centre** - a series of small employment sites immediately to the south of Carlisle City Centre
- **Key Service Centres** - within the Key Service Centres of Brampton to the east of the District and Longtown to the north

2.8 A number of additional rural and local service centre employment sites are situated across the District's more rural locations including Carlisle Airport to the west of Brampton.

³ Table 1.1 provides the full list of site names and references

Figure 2.1 Locational Distribution of Employment Sites in Carlisle



Source: DTZ/Carlisle City Council

PBBI Copyright Collins Bartholomew 2009

2.9 Cumbria assigns each of its employment sites and land to one of six employment categories. Each category typically satisfies the need for different 'B' uses as defined in the use class order. The definitions of each category are provided below and whilst each site may not satisfy all of the criteria listed, the category of 'best fit' has been applied to each of the existing employment sites in Carlisle within the following tables:

- **Regional Investment Site** - provide the focus for major industrial and non-retail commercial development and are identified within the North West RSS as Regional Strategic Sites
- **Strategic Employment Sites** - are at least 5 hectares in size and will be developed in large plots for B1, B2 and B8 use. They have good proximity/links to Key Service Centres, access to the primary road network and potential to be served by public transport

- **Local Employment Site** - tend to be less than 5 hectares in size and are available principally for B1, B2 and B8 uses. They have adequate access to transport networks and good links/proximity to service centres. Such sites may also accommodate other types of development as part of a mix of uses where required to bring the site forward for development
- **Business/Science Parks** - are only available for high quality B1 use within a masterplanned area of usually less than 1 hectare. Such sites will have access to the primary road network, be served by public transport, cycle and pedestrian networks, and have good proximity/links to Key Service Centres. There should also be potential for links to higher education and knowledge based industry
- **Own Use** - sites which are not available (or never were available) on the open market, i.e. those where the whole site is owned and developed by the final occupier. If such sites are subsequently made available they will be assigned to one of the other five categories
- **Port Related Sites** - are not applicable in Carlisle but include sites of over 5 hectares with port side access

Kingmoor Park

Site/ Map Ref	Key Sites	Category	Currently Available	
			Land (ha)	Premises (sq m)
1	Kingmoor Park and Brunthill	Regional Investment Site	41.85	37,359
2	Kingmoor Park - Northern sites	Local Employment Site	0.00	7,251
Total			41.85	44,610

2.10 As Carlisle's only Regional Investment Site, Kingmoor Park is a large (88 hectare), modern and expanding business estate with over 100 tenants occupying approximately 140,000 sq m (1.5 million sq ft) of new and refurbished buildings. Located close to Junction 44 of the M6 and on the route of the Carlisle Northern Development Route (CNDR) the site is segmented into three areas - the northern site includes Kingmoor Business Park with modern office uses and high profile occupiers such as Capita and Kingmoor North with around six industrial units and another currently under construction. Kingmoor Park Central is a general industrial area with further new units under construction (Baxter) and includes John Lewis as an occupier. The southern site is made up of around six large modern industrial units. Other Kingmoor Park occupiers include The Edinburgh Woollen Mill, Her Majesty's Custom and Excise Office (Passport Office), Princes Soft Drinks, Vodafone and City Link.

2.11 To the north of the main estate are three rural Kingmoor Park sites - Rockcliffe, Heathlands and Harker. Each are around 10 to 12 hectares in size and are taken up by around 4-6 large dated low grade concrete heavy industrial bunkers. Uses include recycling, skip hire and engineering, and there are a number of existing vacancies. Access to these northern sites is via single track lanes in places.

North Carlisle

Site/ Map Ref	Key Sites	Category	Currently Available	
			Land (ha)	Premises (sq m)
3	Parkhouse Industrial Estate	Business Park	4.01	3,757
4	Kingstown Industrial Estate	Local Employment Site	0.00	17,144
5	Kingmoor Industrial Estate	Local Employment Site	0.00	0
Total			4.01	20,901

- 2.12 Together with Kingmoor Park, the employment sites of north Carlisle to the west of Junction 44 of the M6 form the main geographical cluster of employment uses within the district. Kingstown, Carlisle's largest industrial estate at 62.7 hectares, is a fully developed 1970s and 1980s general industrial estate. Key uses include distribution with occupiers such as DHL, Parcel Force, Home Delivery Network and Business Post, and trade counter and cash and carry uses. Stobart, currently located at Kingstown Industrial Estate, are due to relocate to the Airport in 2011 and their existing site is currently being marketed to potential future occupiers.
- 2.13 Parkhouse adjoins Kingstown and includes 4-5 car showrooms, Carlisle Brass factory, Clifford Court and Acorn Business Park - a modern pavilion style office development of 13 buildings with occupiers including Provident Personal Credit, Cumbria Cottages, Hyde Harrington, Peill & Co, Jennings Legal Services and Business Travel Management. However a number of the office buildings and units remain vacant.
- 2.14 To the south of Kingmoor Park, Kingmoor Industrial Estate is a small site (2.8 hectares) including in the region of four industrial buildings. Cumbria Waste is a key occupier.

West Carlisle

Site/ Map Ref	Key Sites	Category	Currently Available	
			Land (ha)	Premises (sq m)
6	Burgh Road Industrial Estate	Local Employment Site	0.00	320
7	Newtown Industrial Estate	Local Employment Site	0.00	10,078
8	Willowholme Industrial Estate	Local Employment Site	0.45	1,394
9	Port Road Business Park	Local Employment Site	0.17	2,059
10	South West of Morton	Business Park	8.00	-
11	Pirelli, Dalston Road	Local Employment Site	0.00	0
Total			8.62	13,531

- 2.15 The employment estates of western Carlisle are predominantly clustered along the B5307 Newtown Road, from the large 24 hectare low grade Willowholme heavy industrial estate and modern 5.5 hectare Port Road Business Park immediately to the west of the City Centre, to the small 4.9 hectare low grade Newtown general industrial estate followed by the better maintained 8.6 hectare Burgh Road Industrial Estate around 2 miles from Carlisle City Centre. A further site to the south west of Morton has recently been granted planning permission for an 8 hectare Business Park as part of a wider urban extension and Pirelli has a purpose built factory site nearby in Cummersdale.
- 2.16 Newtown and in particular Willowholme Industrial Estate, appear low grade and serve a number of heavy/dirty industries such as concrete, aggregates, oil and gas dealers and chemicals. Key occupiers on Willowholme include Stagecoach, and on Newtown CSL Chemical Manufacture and Story Rail. McVities factory is located adjacent to Willowholme, although is accessed separately from Caldewgate. There are a number of vacant industrial units on Willowholme which are falling into disrepair. A planning application for a Sainsbury's food store to the south east of the site has been submitted.
- 2.17 Burgh Road Industrial Estate is a better quality fully developed general industrial estate with a series of large well maintained industrial units with ancillary office use occupied by firms including Bookers Cash & Carry, Easons Ice Cream and Frozen Foods, Calder Foods, and Story Rail. A single ground floor office unit is available within a modern industrial unit at Oakvale House. A western greenfield extension to the estate has been put forward through the LDF Call for Sites process.

- 2.18 Port Road Business Park consists of 27 modern industrial units, a new single storey GP surgery with pharmacy and The Sidings - a Gladman development of three 2/3-storey new high-specification, pavilion style self contained office buildings which are under construction. There are a number of 'good' occupiers on the site including Benzl, Johnson Leylands, Menzies Distribution, Carillion Construction Training and Speedy Hire.

South East Carlisle - Durranshill, Rosehill and Harraby

Site/ Map Ref	Key Sites	Category	Currently Available	
			Land (ha)	Premises (sq m)
12	Harraby	Local Employment Site	2.50	0
13	Harraby Depot	Local Employment Site	0.00	0
14	Durranshill Sidings	Local Employment Site	1.60	1,862
15	Durranshill Industrial Estate	Local Employment Site	1.03	5,599
16	Harraby Green Business Park	Business Park	0.20	703
17	Rosehill Industrial Estate	Local Employment Site	2.70	126
18	Botcherby/Rosehill Extension	Local Employment Site	8.80	-
19	Riverside, Warwick Road	Local Employment Site	0.42	46
20	Upperby Depot	Local Employment Site	0.00	0
Total			17.25	8,336

- 2.19 **Durranshill** is a large (27.5 ha) 1950s general industrial estate located to the south east of Carlisle on the edge of Harraby. It benefits from good connectivity being situated approximately 2 miles west of both Junctions 42 and 43 of the M6 via major trunk A-roads. The site has a number of key occupiers including one of Carlisle's biggest employers, chilled food manufacturer Cavaghan & Gray (part of Northern Foods); Cumbria Police within a new high quality HQ building; and World Group.
- 2.20 The Eastern Way frontage of the site includes a number of vacant buildings and plots, some of which have been acquired by the Council with the intention of marketing for redevelopment once the sites are prepared. Potential also exists to develop further land currently owned by Cavaghan & Gray, if declared surplus by them and subject to an acceptable access solution from Eastern Way.
- 2.21 Durranshill Sidings to the north of the main Durranshill site is an elongated 10.86 hectare site bound by the rail line to the south and a residential estate to the north. Crown Packaging occupy a large factory with ancillary offices and social club on around two thirds of the site with the remaining third, currently vacant scrub land and dairy buildings, being marketed for sale.
- 2.22 **Rosehill** is a large 26.5 hectare site situated immediately to the south west of J43 of the M6 and 2.5km from Carlisle City Centre. Around half of the site is taken up by H&H who operate the biggest pedigree livestock auctioneers in UK and is surrounded by an organic cluster of other related and supporting occupiers. Additional uses include a number of car showrooms; pavilion and modern style offices many of which are occupied by bank and building society chains; a dated conferencing and banqueting facility; and a range of mixed general industrial units. A number of the offices on Wavell Drive are vacant and available to let. At the south east corner of the estate a planning consent exists for a hotel, 150,000 sq ft (14,000 sq m) of offices, a pub and a nursery, but has not yet been developed out. The area is currently the Car Auction facility and an adjacent field. Additionally, the Local Plan also identifies the area to the south of Scotby Lane as a relocation site for the main Auction Mart site, albeit it is understood that this is not an option currently favoured by H & H.

- 2.23 The **Harraby** sites are bound by rail lines and the River Petteril to the south east of the City Centre making immediate access to all but the Harraby Depot site difficult. Harraby, the largest of the three sites at 15.11 hectares, has a large vacant hard standing with potential for redevelopment if access constraints can be overcome. The remainder of the site is taken up by a Network Rail depot and sidings, a couple of older small brick units and around 20 workshop units at St Nicholas Bridge Business Park. The elongated Harraby Depot site to the north includes a large old brick former fertiliser depot, comprising two buildings, which is currently vacant with the exception of a HSS Hire Shop. To the south of the main Harraby site in a semi rural setting, Harraby Green Business Park provides a mix of good quality new and converted office, light industrial, workshop and residential uses.
- 2.24 Other local employment sites to the south east of Carlisle include the mixed use **Riverside** site on Warwick Road, providing office space and residential apartments within a converted mill building, and **Upperby Depot**, a low grade general industrial estate adjacent to the rail line on St Ninian's Road.

City Centre and Edge of Centre

Site/ Map Ref	Key Sites	Category	Currently Available	
			Land (ha)	Premises (sq m)
33	Nelson and Norfolk Street Inc. Atlas Works	Local Employment Site	0.00	353
34	Peter Street	Local Employment Site	0.21	0
35	Denton Holme Trading Estate	Local Employment Site	0.00	284
36 & 37	Caldewgate (North and South)	Local Employment Site	0.00	110
38	Denton Business Park	Local Employment Site	0.00	388
39	Carlisle Enterprise Centre/James Street	Local Employment Site	0.39	608
40	Currock Road Sites	Local Employment Site	0.00	45
41	James Street/Water Street	Local Employment Site	0.00	630
42	Botchergate & Lancaster Street	Local Employment Site	0.00	682
43 & 44	Viaduct Estate Road (North and South)	Local Employment Site	0.00	335
45	Laings, Dalston Road	Local Employment Site	0.00	0
Total			0.6	3,435

- 2.25 There are a series of small (mostly less than 5 hectares) employment sites to the immediate southern edge of Carlisle City Centre (with the exception of the Peter Street site to the north). Whilst the sites are in the main well served by public transport access by road is more constrained given their urban location. A number of the sites are tightly surrounded by residential further constraining access. The sites provide a mix of employment space including general light industrial use at Denton Holme Trading Estate and larger mixed industrial uses at James Street, serviced office space at Carlisle Enterprise Centre, and mixed retail trade counter, leisure and workshop uses at Currock Road, Botchergate and within the converted Atlas Works mill building. There are also a number of potential development sites in this area including Laings - a vacant factory site on Shaddongate, the Viaduct Road sites which have been subject to a series of development proposals, and Peter Street which is currently being used as a city centre car park.
- 2.26 The Caldew Riverside site comprises the City Council owned Upper and Lower Viaduct car parks, together with a site owned by Tesco that has a current but as yet unimplemented consent for food retail use. The site forms part of the Carlisle City Centre Regional Strategic Site with the North West Regional Spatial Strategy but does need significant remediation as part of any development.

Key Service Centres

- 2.27 The Carlisle towns of Brampton to the east of the district and Longtown to the north have been identified through the RSS/LDF process as Key Service Centres (KSCs). KSCs provide an important role in meeting local employment and service needs away from the main city centres.

KSC	Site/Map Ref	Key Sites	Category	Currently Available	
				Land (ha)	Premises (sq m)
Longtown	21	Longtown Bridge	Local Employment Site	0.00	0
	22	Borders Business Park/Longtown	Local Employment Site	2.85	224
Brampton	23	Brampton East	Local Employment Site	0.00	537
	24	Townfoot Industrial Estate	Local Employment Site	1.15	3,834
	25	Brampton Irthing Business Centre	Business Park	0.00	0
	26	Brampton Garages	Local Employment Site	0.00	0
Total				4.00	4,595

- 2.28 **Longtown** is an 18th Century planned town situated close to the Scottish border, around 6 miles north of Carlisle, and has a population of around 3,000. Within the town the Longtown Bridge site is home to the largest sheep market in England and a Haulage firm. Townfoot Industrial Estate is close by. Borders Business Park and three other small adjacent sites provide a mix of light industrial, retail trade counter and office uses. A number of vacancies and space for further development remains.
- 2.29 **Brampton** is small attractive town of approximately 4,000 people serving a predominantly rural hinterland. Whilst situated around 8 miles from the M6, the A69 and A689 provide reasonably quick access by road. Townfoot Industrial Estate, at 11.8 hectares, provides the majority of employment space in the KSC within a mix of general industrial and trade counter units including new, modern and older but well maintained premises. Numerous units remain available as does space for further development at the rear of the site. Occupiers include Travis Perkins, Omega Music and Northern Academy of Music and a waste recycling centre.
- 2.30 Other Brampton sites include the Irthing Business Centre - a small dated business and telecentre comprising nine managed workspaces/offices, conference/meeting facilities and local community services; Old Brewery Yard (0.32 ha) on Craw Hall consisting of 14 converted stone courtyard workshops with current occupiers including Royal Mail and Geltside Brewery; a single large industrial unit (0.34 ha) occupied by Country Collections and James Mead Ltd; and two low quality garage sites.

Rural Sites and Local Service Centres

Site/Map Ref	Key Sites	Category	Currently Available	
			Land (ha)	Premises (sq m)
27	Carlisle Airport	Strategic Employment Site	19.20	1,556
28	Sandysike Industrial Estate	Local Employment Site	0.00	0
29	Whitesyke Industrial Estate	Local Employment Site	0.00	0
30	Stead McAlpin, Cummersdale	Local Employment Site	0.00	0
31	Barras Lane Industrial Estate	Local Employment Site	0.00	164
32	Nestle, Dalston	Local Employment Site	0.00	0
46	Warwick Mill Business Centre	Local Employment Site	0.00	0
Total			19.20	1,556

- 2.31 **Carlisle Airport** is situated 3 miles west of Brampton in a rural location. In addition to the airport function current uses include an aviation museum, timber yard and ECM distribution. System Group also has a logistic training facility on the site which they own.
- 2.32 Stobart have acquired the leasehold of the airport from the City Council and intend to consolidate their HQ operations on the site. They have a planning application for a 42,700 sq m (460,000 sq ft) warehouse and distribution facility and 8,000 sq m (86,000 sq ft) of B1 office space in the southern part of the site.⁴ They aspire to move 34,840 sq m (375,000 sq ft) of warehousing from Kingstown to the Airport in 2011. Stobart also have aspirations for attracting commercial passenger routes at the airport, as well as maximising the potential of other air related activities, such as air freight and Maintenance Repair and Overhaul (MRO). A Section 106 Agreement attached to their current planning application will upgrade the airport facilities, including the runway weight limit, to facilitate this growth. A Masterplan covering the entire airport site is being driven forwards by Stobart and their public sector partners, and is due for completion in March 2010. The Stobart application will develop 11.83 hectares of the Airport site, leaving 7.37 hectares of allocated land remaining⁵.
- 2.33 **Whitesyke and Sandysike** are also situated in a rural location to the south of Longtown and are low grade agricultural and timber based sites. Whilst unattractive, the sites serve an important local industry.
- 2.34 A number of local service centres in Carlisle provide small employment sites offering local employment opportunities to a predominantly rural hinterland. In **Warwick Bridge** to the east of the District, Warwick Mill provides office, desk rental, conferencing and business support facilities within a refurbished stone mill building. Converted stone out buildings and concrete workshop units provide additional light industrial space. There are few vacancies and management report the development to be popular.
- 2.35 In **Dalston**, a rural village to the south of the district with difficult access, Barras Lane Industrial Estate provides a mix of employment uses including an oil storage depot operated by BP, modern office space within Dalmar House, a County Council depot with ancillary offices; and a number of mid-sized industrial units. Nestle, an important local employer, also have a large factory site on the edge of the village.

Current Availability

Employment Premises

- 2.36 Table 2.2 below provides an overview of the available supply of commercial floorspace within the Carlisle District. The figures represent all properties that are currently being marketed as available for sale or rent by local agents or Carlisle City Council. Marketed commercial properties which are under construction, including a number of units at Kingmoor Park, have not been included in the figures but are picked up later in the future supply section.

⁴ The Court of Appeal quashed the City Council's consent on a matter of due process on 19 May 2010. The decision did not relate to the principal of development and it is assumed that approval will be gained within the next 6 months, subject to Stobart continuing with the application and there being no undue findings from the Environmental Impact Assessment which is now required.

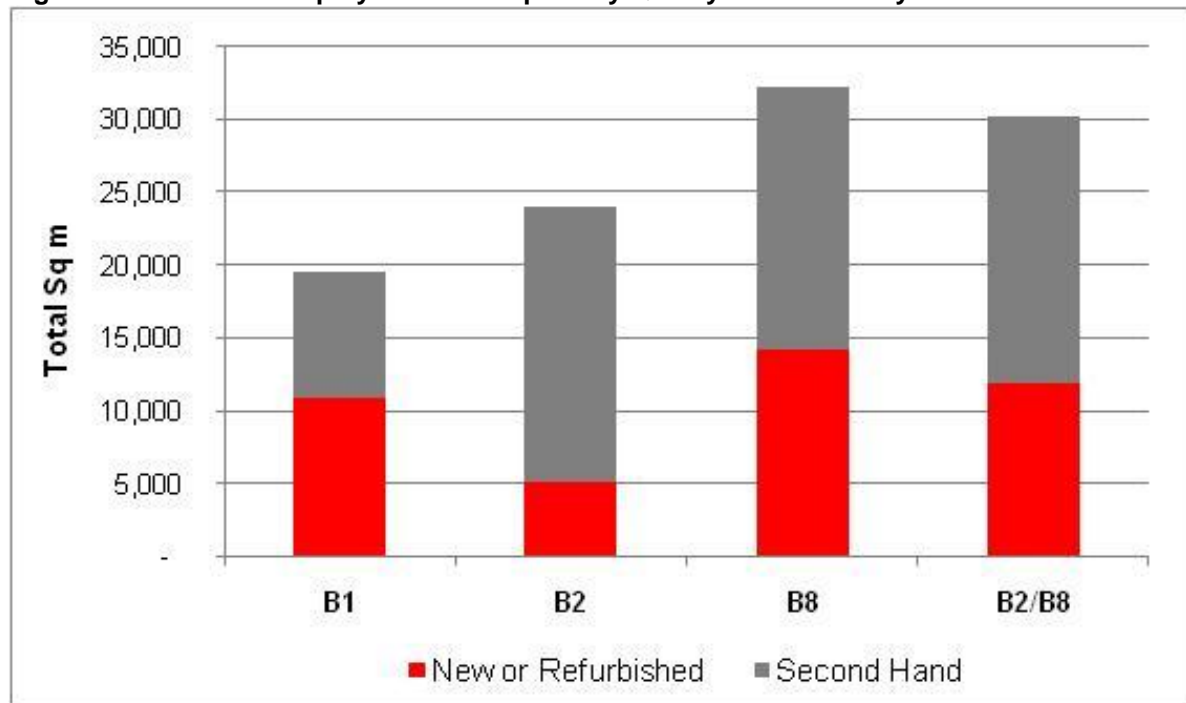
⁵ However, the findings of the Masterplan which is currently being progressed, may recommend the allocation of additional employment land.

Table 2.2 Available Employment Floorspace as at February 2010 (sq m)

	New or Refurbished (sq m)	Second Hand (sq m)	Total (sq m)	Land Take Conversion (ha)
B1	10,785	8,710	19,495	4.8
B2	5,029	18,943	23,972	5.7
B8	14,238	18,044	32,282	7.7
B2 or B8	11,797	18,407	30,204	7.2
Total	41,849	64,105	105,954	25.3

Source: Focus Co Star 2009, Carlisle City Council and Walton Goodland

- 2.37 As at February 2010, there was a total of 105,954 sq m (1.14 million sq ft) of commercial floorspace available for sale or to let across the Carlisle District. In terms of quality, 41,849 sq m (450,469 sq ft) equating to 39.5% of this available space was new or refurbished. The majority (81.6%) of available space is of either a B2 (industrial) or B8 (storage/distribution) use class, 35.9% of which is new or refurbished. At 55.3%, a higher proportion of available B1 (office) space is new or refurbished.
- 2.38 In order to compare these figures with the employment forecasts presented in Section 5, a land take conversion of the floorspace available can be undertaken. Using industry standard floorspace to land take ratios of 41% for B1 uses and 42% for B2 and B8, the 105,954 sq m currently available within Carlisle converts to a land take equivalent of 25.3 hectares.

Figure 2.2 Available Employment Floorspace by Quality as at February 2010

Source: Focus Co Star 2009, Carlisle City Council and Walton Goodland

- 2.39 In terms of geographical distribution, the vast majority (63.1% or 66,894 sq m/720,064 sq ft) of available commercial floorspace is situated within Kingmoor Park and the other North Carlisle employment sites. Whilst the 9,233 sq m (99,388 sq ft) of B1 office space represents just 13.8% of total available commercial floorspace supply in this location, it represents 47.4% of the total office floorspace availability across the District. The majority of remaining office floorspace availability

(46.7% or 9,113 sq m/99,000 sq ft) is within the City Centre and Edge of Centre sites following the usual trend for B1 uses to be concentrated within accessible urban locations such as towns and cities. The availability of office space is limited in other locations across the Carlisle District.

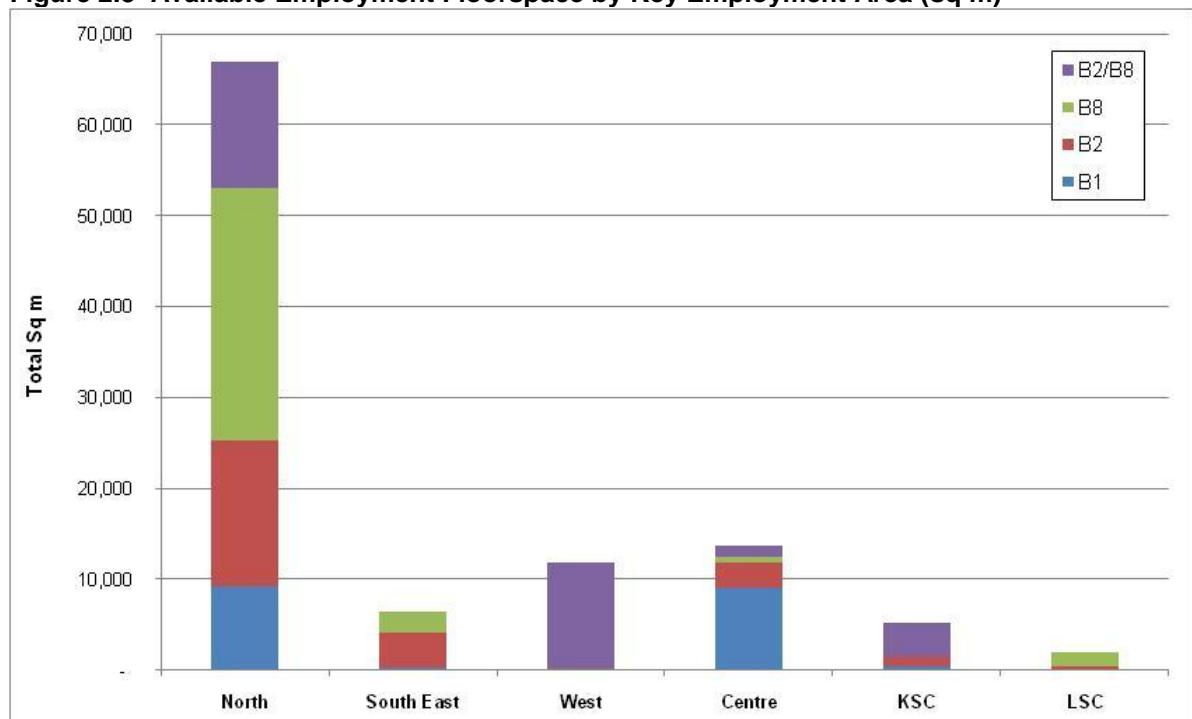
- 2.40 Following the North Carlisle and City Centre/Edge of Centre locations, West Carlisle appears to be the key location for available commercial space. 11,844 sq m (127,497 sq ft) of floorspace is available representing 11.1% of the total district supply. 11,524 sq m or 97.3% (124,048 sq ft) of the marketed space in this area is for B2 or B8 use.

Table 2.3 Available Employment Floorspace by Key Employment Area (sq m)

	B1	B2	B8	B2 or B8	Grand Total
Kingmoor Park & North Carlisle	9,233	16,009	27,857	13,794	66,894
South East Carlisle	199	3,973	2,256	-	6,428
West Carlisle	320	52	-	11,472	11,844
City Centre & Edge of City Centre	9,113	2,736	613	1,151	13,613
Key Service Centres	465	973	-	3,787	5,226
Local Service Centres	165	229	1,556	-	1,950
Grand Total	19,495	23,972	32,282	30,204	105,954

Source: Focus Co Star 2009, Carlisle City Council and Walton Goodland

Figure 2.3 Available Employment Floorspace by Key Employment Area (sq m)



Source: Focus Co Star 2009, Carlisle City Council and Walton Goodland

- 2.41 The average available unit size is in the region of 455 sq m (4,900 sq ft) and has been on the market for an average of 534.5 days.

Employment Land

- 2.42 Cumbria County Council maintains a register of available employment land by market category. Table 2.4 below summarises the most up to date position of employment land under construction, with planning permission and remaining available within the Carlisle District⁶.

Table 2.4 Available Employment Land (ha) 12 Months to March 2009

Market Sector	Land Available (ha)			Total Available (ha)
	Under Construction	Planning Permission	Remaining Allocated	
Regional Investment	3.22	4.08	24.55	31.85
Strategic Employment	0.00	11.83	17.37	29.20
Local Employment	0.02	0.00	22.25	22.27
Business Park	0.00	8.00	4.21	12.21
Own Use	0.00	0.00	0.00	0.00
Total Carlisle	3.24	23.91	68.38	95.53

Source: Cumbria County Council/DTZ

- 2.43 As of March 2009, the figures indicate a total of 95.53 hectares of employment land to be available for development across the District. However, when the sites under construction (3.24 hectares) and developments with planning permission (23.91 hectares) are taken into account, only the remaining 68.38 hectares of allocated employment land can be truly described as available. A full breakdown of availability on a site by site basis can be found at Appendix G.
- 2.44 The majority of the remaining allocated employment land (36% or 24.55 hectares) relates to the Regional Investment Site Kingmoor Park. A further 10 hectares is allocated at Kingmoor Park's Brunthill extension which is classed separately as a Strategic Employment Site. Whilst not included in the figures as not yet allocated it should be noted that a further 20 hectares of employment land is due to be allocated at Brunthill between 2011 and 2016, half of which will be classified as a Regional Investment Site and the other half a Strategic Investment Site. This will have significant implications on the future supply of employment land.
- 2.45 Other sites where a significant volume of employment land remains allocated and available include a Business Park allocation for 12 hectares south west of Morton; Local Employment Site Rosehill Extension (8.8 hectares); Strategic Employment Site Carlisle Airport (7.37 hectares) and Local Employment Site/Business Park Parkhouse (4.01 hectares). However, since these figures were initially compiled by Cumbria County Council, a reduction of employment allocation to 8 hectares at Morton has been approved subject to S106 agreements as part of a mixed use proposal. The figures above have been updated accordingly.

⁶ Cumbria County Council's figures have been updated to include Botcherby/Rosehill Extension and to take account of the reduced allocation at land south west of Morton. The resulting figures have been checked with and confirmed by the City Council. A full schedule including changes can be found at Appendix G.

Future Supply

Planning Pipeline

- 2.46 Cumbria County Council's register of available employment land by market category analysed in Table 4.4 above indicates that as of April 2009 around 3.24 hectares of employment land was under construction and a further 23.91 hectares had planning permission for development. At this point in time (March 2010) all but 0.02 hectares of the land under construction related to Kingmoor Park, and the 11.83 hectares of land with planning permission at Carlisle Airport made up the majority of that with planning permission.⁷
- 2.47 Table 2.5 below provides a more detailed update of the planning pipeline in Carlisle to include commercial use class, floorspace and broad employment area.

Table 2.5 Employment Floorspace Planning Pipeline

	Under Construction (sq m)	Planning Permission (sq m)	Total Pipeline Floorspace (sq m)	Land Take Conversion (ha)
B1	2,716	9,398	12,114	3.0
B2	2,923	2,593	5,516	1.3
B8	123	38,832	38,955	9.3
B2 or B8	19,891	681	20,571	4.9
Total Employment	25,653	51,504	77,156	18.4

Source: Carlisle City Council

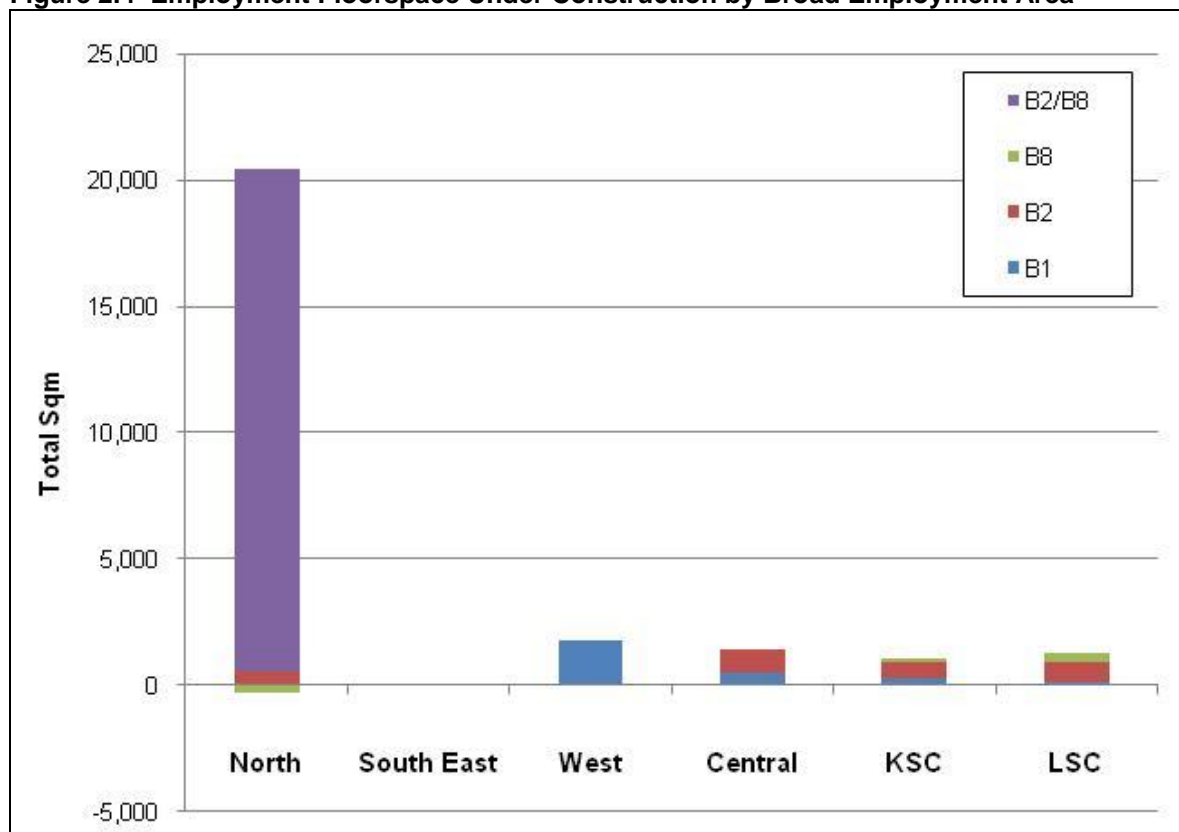
- 2.48 As at January 2010, there was estimated to be in the region of 25,653 sq m (276,136 sq ft) of employment space under construction and a further 51,504 sq m (554,403 sq ft) of space with planning permission within the Carlisle District. This equates to a total planning pipeline supply of 77,156 sq m (830,527 sq ft)⁸.
- 2.49 Unsurprisingly due to typically larger footplates, B8 uses make up the bulk of the total space within the planning pipeline (38,955 sq m/419,750 sq ft equating to 48.9%). However, only 123 sq m (1,324 sq ft) of this space is currently under construction. The majority of floorspace under construction (77%) is for unspecified employment uses, meaning that such space could accommodate B2 or B8 uses on completion. Around 15% of the floorspace in the planning pipeline, equating to 12,114 sq m (130,400 sq ft) is for B1 development which includes offices, R&D and light industry, 22% of the B1 pipeline is under construction.
- 2.50 Using the same industry standard land take conversions as previously stated, the 77,156 sq m (830,530 sq ft) within Carlisle's planning pipeline converts to a total land take equivalent of 18.4 hectares. Three hectares of this figure relates to B1 uses with the remainder B2 and B8.

⁷ Since the finalisation of the planning pipeline analysis the consent at the Airport has been quashed by the Court of Appeal on a matter of due process. The decision is dated 19 May 2010. The decision did not relate to the principal of development and it is assumed that approval will be gained within the next 6 months, subject to Stobart continuing with the application and there being no undue findings from the Environmental Impact Assessment which is now required.

⁸ In addition there is 'sui generis' floorspace under construction of 155 sq m and 2,466 sq m with planning permission.

- 2.51 The figures below provide an indication of the planning pipeline in the context of the broad employment areas. It is immediately clear that the vast majority of floorspace under construction is for B2 or B8 use in the northern employment area of the District. More specifically, this relates to a development at Kingmoor Park North of six units totalling 13,770 sq m (148,224 sq ft) and ranging in size from 1,890 sq m to 4,050 sq m (20,345-43,595 sq ft).
- 2.52 In the western employment area of Carlisle a business park development consisting of two office blocks at Port Road Business Park is nearing completion. It will provide a total of 1,801 sq m (19,386 sq ft) of B1 space and accounts for the vast majority this use class currently under construction in the district.

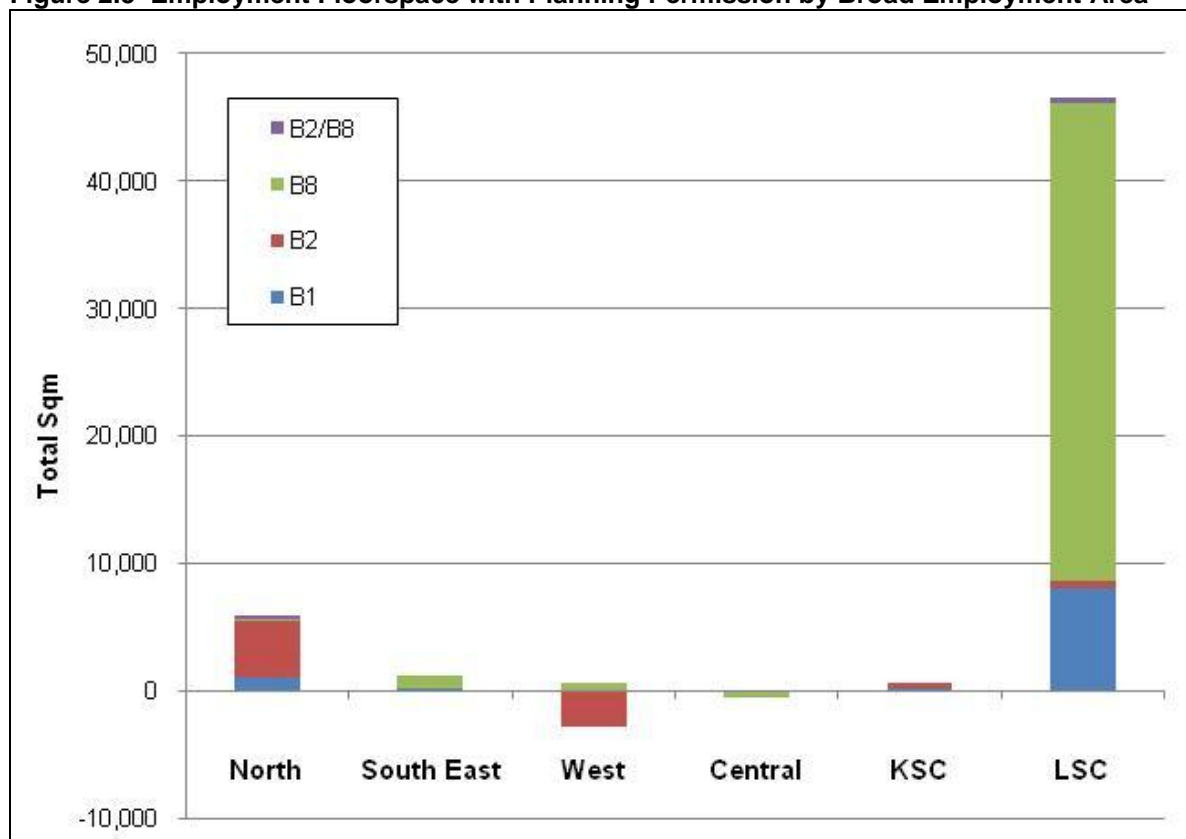
Figure 2.4 Employment Floorspace Under Construction by Broad Employment Area



Source: Carlisle City Council/DTZ

- 2.53 In contrast to the geographical distribution of employment floorspace under construction, in terms of employment developments with planning permission but not yet started, the rural areas and local service centres account for the majority of the space in the pipeline. This largely relates to the now undetermined application from Stobart for a freight storage and distribution facility (36,342 sq m (391,195 sq ft)) of B8 and 7,988 sq m (85,985 sq ft) of associated B1 office space at Carlisle Airport near Brampton.
- 2.54 What appears to be a loss of B2 space in the western employment area of Carlisle is in fact a temporary planning permission for a change of use at Willowholme Industrial Estate as 2,850 sq m (30,680 sq ft) of industrial space has been demolished for the relocation of the Showmans Guild Caravan Site.

Figure 2.5 Employment Floorspace with Planning Permission by Broad Employment Area



Source: Carlisle City Council/DTZ

Other Proposals on Employment Sites

2.55 We are aware of a number of proposals for non employment uses on employment sites within the Carlisle District which do not yet have planning permission, have not been submitted to planning or do not require permission to commence. There are also a handful of other significant mixed use and non employment developments on, or close to, existing employment land allocations. An overview of these key development proposals includes:

- **South Morton** - an outline planning application was submitted by the Church Commissioners for England in May 2009 to develop 50 hectares of land as a sustainable urban extension to the south west of Morton on a site bound by Wigton Road (A595), Peter Lane and Dalston Road (B5299). The proposals include up to 825 residential dwellings (20.6ha), 40,000 sq m (430,570 sq ft) of employment (B1) floorspace, public open space (14.5ha) and associated works. The proposed scheme contains just 8 hectares of employment land, a reduction from the 12 hectares allocated in the Local Plan, in favour of additional residential dwellings in light of Carlisle's Growth Point status and an accompanying Development Land Statement which justifies the proposed reduction by highlighting the existing significant oversupply of vacant office space in Carlisle. The site is largely owned by the Church Commissioners for England and partially owned by Carlisle City Council who report that the application has been approved subject to S106 agreements

- **The Hub at Kingmoor Park** - outline planning permission for a 130-bed, four-star hotel, with conference suite, fitness centre, restaurant and bar on Kingmoor Park was initially granted in 2006 but has, until recently, been awaiting confirmation of the CNDR project. Other neighbourhood shopping facilities including restaurants, cafes, retail units, a petrol filling station, crèche, bus terminus and other support services are also proposed. A 4* international hotel operator has been reportedly secured and negotiations are ongoing with a number of other retail and leisure providers. Although this proposal is for non employment uses, The Hub will significantly add to the quality of Kingmoor Park as an employment location. In addition, a further application has been submitted but not yet decided for 16,200 sq m (174,380 sq ft) of B1 office space and 96,400 sq m (1.03 million sq ft) of B2/B8 industrial or distribution space
- **Caldew Riverside (Viaduct Estate Road)** - a North West Regional Investment Site (RIS) with planning permission for a 3,715 sq m (40,000 sq ft) Tesco store with associated 327 space car park on the southernmost 1.34 hectares of the site owned by the retailer. The wider site was earmarked for development for a new campus for the University of Cumbria in accordance with previous masterplanning work. However the University's scheme has now been put on hold for the foreseeable future. The future of this site is therefore now to be reconsidered within the context of the employment land study. As a RIS the Northwest Regional Development Agency (NWDA) have committed £3-4million to Caldew Riverside but will not spend if an end user cannot be identified
- **Willowholme** - an application has been submitted but not yet decided for an 8,886 sq m (95,650 sq ft) Sainsbury's foodstore, petrol filling station and ancillary car parking at the junction of Bridge Street and Bridge Lane on the edge of Willowholme Industrial Estate
- **Former Cavaghan & Gray Ltd, London Road, Carlisle** - planning permission for an Aldi supermarket, additional retail unit and single workshop development was granted in 2008. Construction has now started on the scheme

Remaining Allocations

- 2.56 At March 2009 there was 68.38 ha of allocated employment land remaining in the District⁹. 50.5% of this was at in the north of Carlisle at Kingmoor Park (including 10ha at Brunthill, classed as a Strategic Employment Site). Table 2.4 shows the distribution of remaining employment allocations by site classification. Non determined proposals on employment land, outlined above, may reduce this slightly.
- 2.57 It should also be noted that in addition to the 68.38 hectares of allocated land remaining currently, a further 20 hectares is due to be allocated at Brunthill between 2011 and 2016, half of which will be classed as a Strategic Employment Site and half a Regional Investment Site. Whilst these sites have cannot be included in the analysis as not yet allocated they will have a significant impact on the future volume of employment land supply in the District.

⁹ 66 ha of allocated employment land was stated as remaining in the District within the Genecon Report

3.0 Qualitative Assessment of Sites

Introduction

3.1 This section sets out the findings of the qualitative assessment of the sites considered within the Carlisle M6 Employment Sites Study. The findings of this assessment are then considered alongside the quantitative assessment of supply and demand in Section 10: Gap Analysis. The section is structured as follows:

- Methodology
- Findings
- Implications for the Employment Land Review

Methodology

3.2 The qualitative review has been undertaken in accordance with best practice identified in Employment Land Review Guidance Note (December 2004) and comprises the following key tasks:

- **Identification of sites¹⁰:** A list of sites to be considered was identified by the Steering Group. A total of 54 sites were identified including 32 Primary Employment Areas, five sites Allocated for Employment, eight within a Mixed Commercial Development Allocation and a number of additional unallocated sites and sites identified through the LDF Call for Sites process
- **Compilation of data and information on sites:** Data on each of the sites and their premises was collated from a variety of sources including key occupiers, local agents, national and regional databases of commercial property and through consultation with key agencies, businesses and Council officers
- **Site appraisals:** A bespoke site appraisal proforma was produced to assess each the sites using the criteria suggested in the Government guidance i.e. 'market attractiveness', 'sustainable development' and 'strategic planning'. The proformas including scoring criteria can be found at **Appendix C**. The scoring has been conducted relative to Carlisle
- **Qualitative review database:** The data has been collated and assembled into a single database to allow manipulation and analysis of the sites

Findings

3.3 The findings of the qualitative review are provided here. Each site is categorised into one of three performance bands based upon their percentage scores in each assessment category:

- Overall Percentage
- Market Attractiveness
- Sustainable Development
- Strategic Planning

¹⁰ Table 1.1 identifies a full list of the sites assessed

3.4 The percentage scores have been grouped and categorised as follows:

Category	Overall % Score
Best performing	>70%
Moderately performing	50-69%
Lower performing	<49%

3.5 A table listing and location map of the sites is provided within this section. The plans show the overall percentage scoring within each category. In addition, a plan showing the total amount of land available (including sites within the planning pipeline, under construction and remaining available land) for both allocated sites and those put forward through the call for sites process can be found at Appendix G.

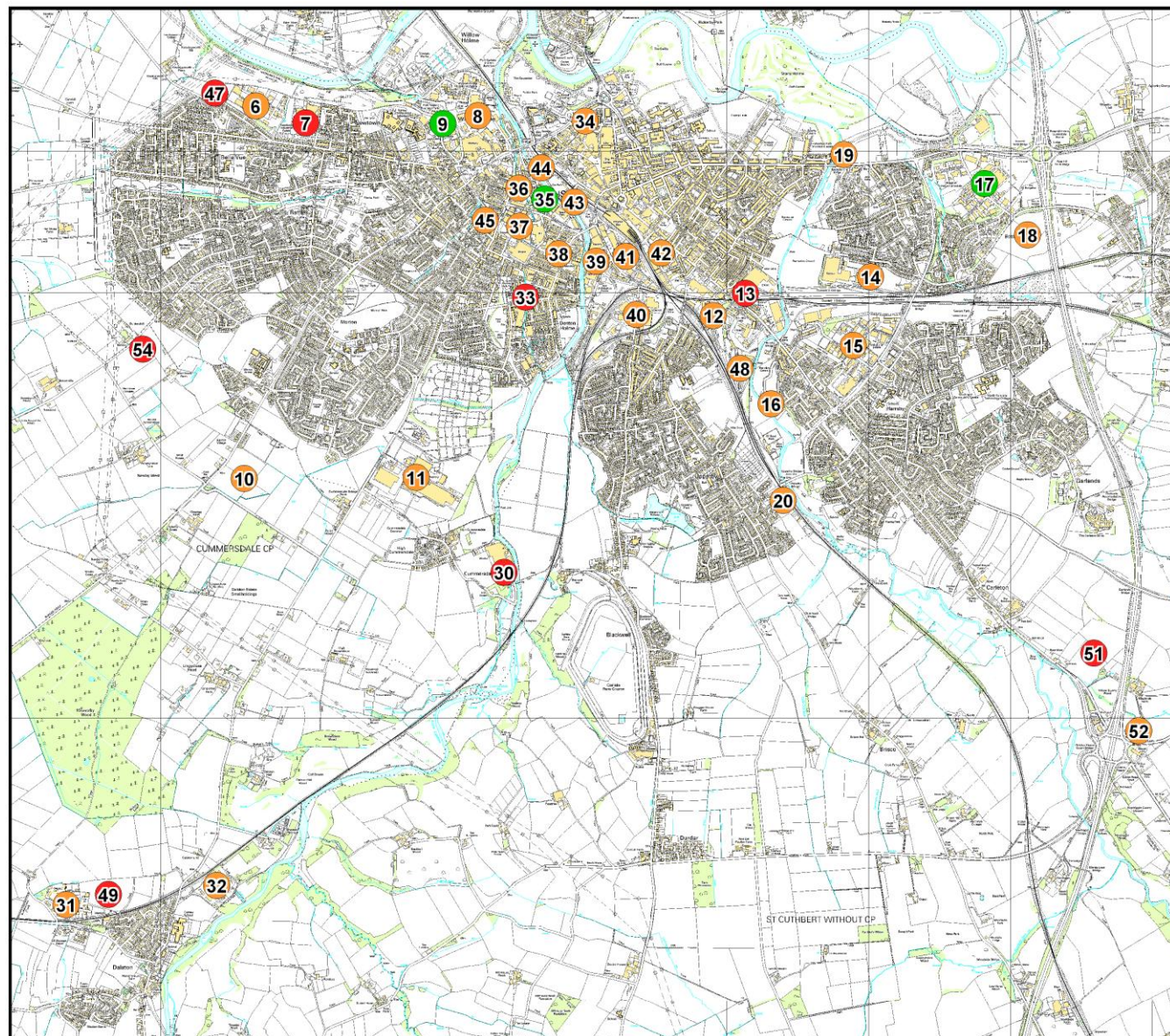
Overall Scores

3.6 The table below ranks and categorises each of the sites assessed as part of the study based on their overall percentage score and indicates that:

- Just eight out of the 54 sites assessed (15%) fall within the best performing category. Of these sites, three are within the north Carlisle broad employment area (Kingmoor Park, Kingstown Industrial Estate and Parkhouse). These northern sites score particularly well on the market attractiveness and strategic planning criteria, but less so for sustainability due to relatively poorer access by public transport and on foot or cycle compared to other sites
- The recently developed Port Road Business Park to the west of Carlisle scores well as market viability as is demonstrated by its success in attracting occupation, and in terms of strategic planning and sustainability is located on the edge of the City Centre
- Carlisle Airport is of particular strategic importance and scores within the top performing sites despite a relatively low sustainability score owing to its current isolated location and potential environmental impacts of development. However, the site scores highly within the strategic planning and market attractiveness categories
- Two central sites (Denton Holme Trading Estate and Viaduct Estate Road North) have received an overall score of above 70%. These sites perform well due to their sustainability and strategic planning criteria from being close to the City Centre
- Rosehill Industrial Estate to the south east of Carlisle is one of the key employment sites in the district and scores relatively well in each of the assessment categories
- 33 sites (61%) fall within the moderately performing category
- 13 sites (24%) fall within the lower performing category. These sites have generally scored poorly overall due to their remoteness and therefore lack of accessibility, or lack of previous development meaning significant environmental impacts (sustainability criteria). Many of the sites identified through the Call for Sites process have scored poorly due to these reasons together with their lack of existing employment allocation (strategic planning criteria) and untested levels of developer and market interest (market attractiveness criteria)

Table 3.1 Overall Scores from Qualitative Site Assessments

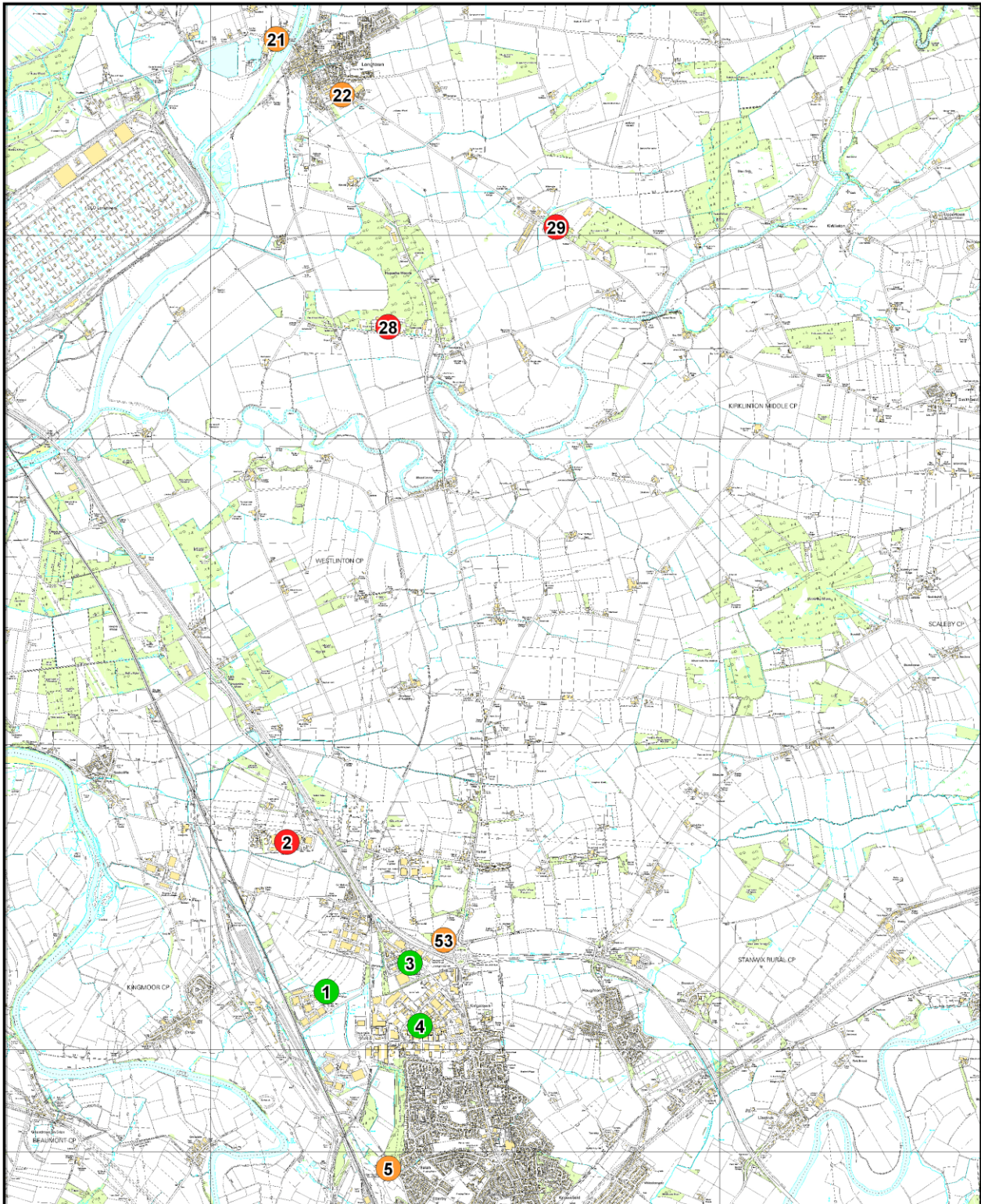
Site Ref	Site Name	Employment Area	Overall % Score
1	Kingmoor Park & Brunthill	North	82%
4	Kingstown Industrial Estate	North	80%
9	Port Road Business Park	West	78%
3	Parkhouse (north of devpt route)	North	73%
27	Carlisle Airport	Rural	73%
35	Denton Holme Trading Estate	Central	73%
17	Rosehill Industrial Estate	South East	72%
44	Viaduct Estate Road North	Central	70%
16	Harraby Green Business Park	South East	68%
43	Viaduct Estate Road South	Central	67%
40	Currock Road East (Rickerby's) & West	Central	66%
15	Durranhill Industrial Estate	South East	65%
34	Peter Street (North City Centre)	Central	65%
42	Botchergate and Lancaster Street	Central	65%
10	South West of Morton	West	64%
39	Carlisle Enterprise Centre/James Street	Central	64%
37	Caldewgate (south of Junction St, west of Lorne Cres)	Central	63%
36	Caldewgate (north of Junction Street)	Central	63%
41	James Street and Water Street	Central	63%
24	Townfoot Industrial Estate	KSC	61%
19	Riverside, Warwick Road	South East	60%
8	Willow Holme Industrial Estate	West	59%
46	Warwick Mill Business Centre	Rural	59%
48	Harraby Junction	South East	59%
12	Harraby	South East	58%
21	Longtown Bridge	KSC	58%
11	Pirelli, Dalston Road	West	57%
53	Grearshill Extension	North	57%
6	Burgh Road Industrial Estate	West	57%
31	Barras Lane Industrial Estate	Rural	57%
38	Denton Business Park (East Lorne St to River)	Central	57%
5	Kingmoor Industrial Estate	North	55%
22	Borders Business Park, Longtown (4 sites)	KSC	55%
18	Bocherby/Rosehill Extension	South East	54%
32	Nestle, Dalston	Rural	54%
50	Carlisle Airport Extension	Rural	54%
14	Durranhill Sidings	South East	53%
25	Brampton Irthing Business Centre	KSC	53%
20	Upperby Depot	South East	51%
23	Brampton East (2 sites)	KSC	51%
45	Laings, Dalston Road	Central	51%
52	M6 NE of J42, Newlands Farm, Carleton	Rural	50%
7	Newtown Industrial Estate	West	50%
33	Nelson & Norfolk Street (3 sites)	Central	47%
54	Land at Orton Road	Rural	47%
2	Kingmoor Park - Northern Sites	North	45%
13	Harraby Depot	South East	45%
26	Brampton Garage (2 sites)	KSC	44%
47	Burgh Road Industrial Estate Extension	West	43%
51	Junction 42, Carleton Road	Rural	43%
49	Barras Lane Industrial Estate Extension, Dalston	Rural	42%
29	Whitesyke, SE of Longtown	Rural	39%
28	Sandisyke, South of Longtown	Rural	38%
30	Stead McAlpin, Cummersdale	Rural	38%



Overall % Scores - Central and Southern Areas

Scoring Range & No. of Sites

- 70 to 100 (7)
- 50 to 70 (35)
- 1 to 50 (12)



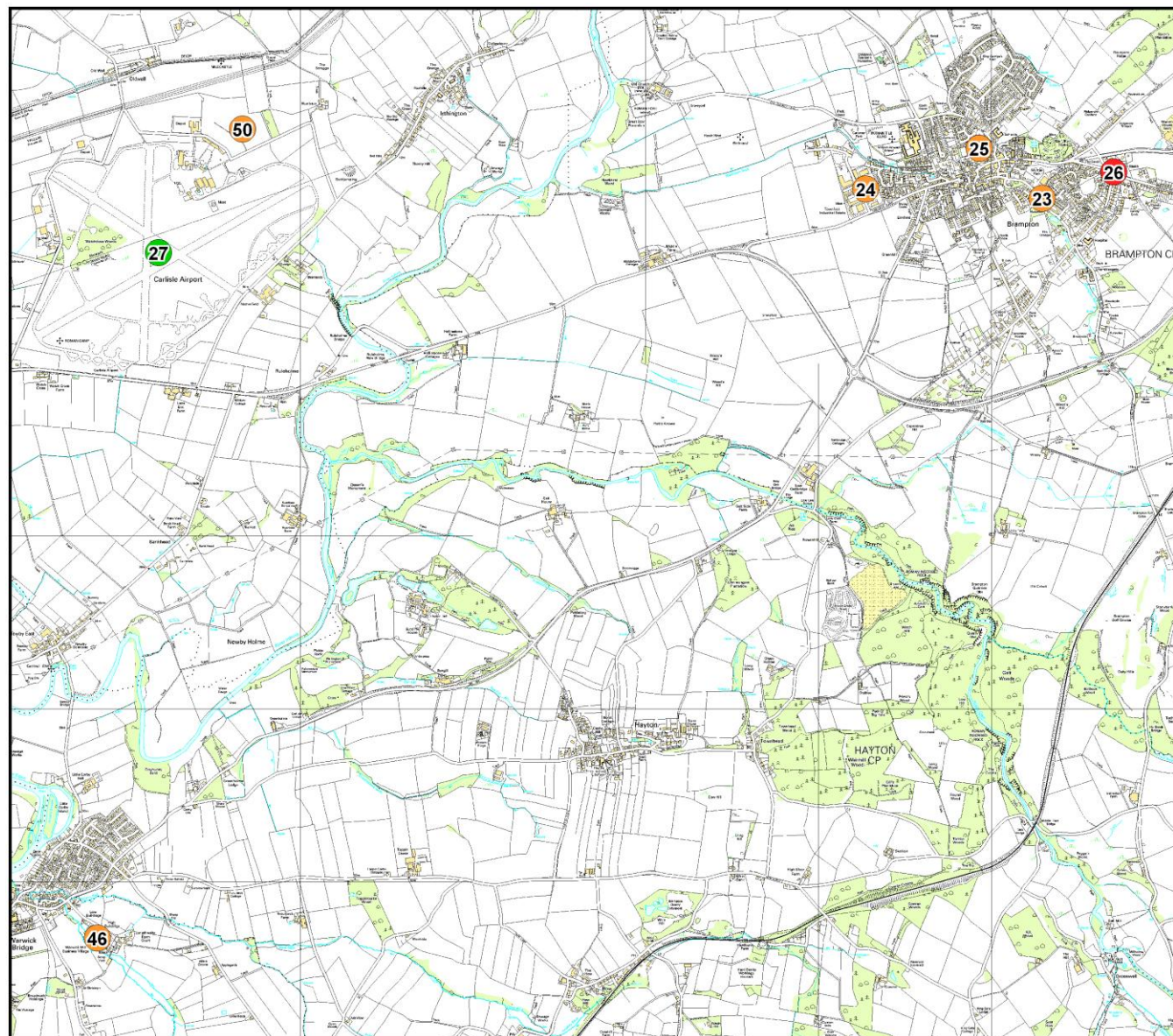
Scoring Range & No. of Sites

- 70 to 100 (7)
- 50 to 70 (35)
- 1 to 50 (12)

Overall % Scores - Northern Area



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Overall % Scores - Eastern Area

Scoring Range & No. of Sites

- 70 to 100 (7)
- 50 to 70 (35)
- 1 to 50 (12)

Market Attractiveness

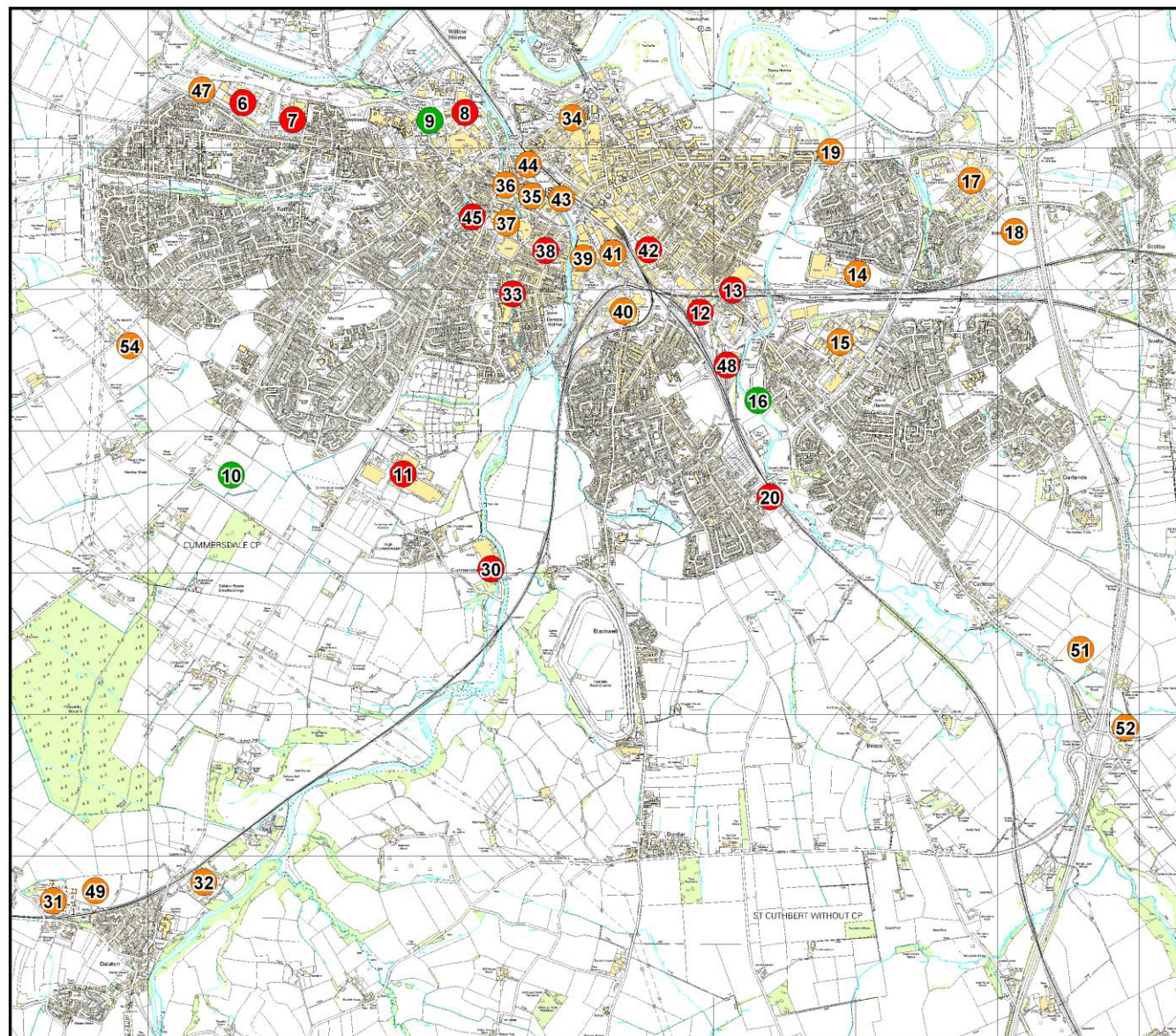
3.7 The table below ranks and categorises each of the sites based on their market attractiveness score, which included an assessment of ownership, availability, development constraints, viability, need for investment, suitability for employment and surrounding uses. The resulting scores indicate:

- Nine of the 54 sites assessed (16%) score within the best performing category for market attractiveness. At 92%, Kingmoor Park (including Brunthill) has by far the highest market attractiveness score, largely due to the volume of high quality development land available at the site and the suitability of the site to employment uses
- A number of other northern sites (Kingstown Industrial Estate, Grearshill Extension and Parkhouse) also score within the best performing sites for market attractiveness. Accessibility by road at these sites was the key driver of their market attractiveness scores
- Stobart's approved proposals for storage, distribution and office space together with an emerging Employment Masterplan at Carlisle Airport has helped this site perform well under the market attractiveness criteria. A lack of major development constraints and the fact that development is unlikely to require public sector investment, have also helped the site score highly
- Sites within the 'Business Park' category have also scored well (South West of Morton, Harraby Green Business Park and Warwick Mill Business Centre), largely due to high quality surroundings and flexible terms which are attractive in the current market
- The market attractiveness of the 23 sites (43%) falling into the moderate category, tends to be limited due to low developer interest and significant development constraints leading to limited viability and the need for investment, despite the availability of land in some cases
- The 22 sites that perform poorly (41%) tend to be of poorer quality, have limited availability, poor accessibility by road and a greater need for investment

Table 3.2 Market Attractiveness Scores from Qualitative Site Assessments

Site Ref	Site Name	Employment Area	Overall % Score
1	Kingmoor Park & Brunthill	North	92%
27	Carlisle Airport	Rural	86%
4	Kingstown Industrial Estate	North	82%
53	Grearshill Extension	North	80%
3	Parkhouse (north of devpt route)	North	78%
10	South West of Morton	West	78%
9	Port Road Business Park	West	74%
16	Harraby Green Business Park	South East	70%
46	Warwick Mill Business Centre	Rural	70%
17	Rosehill Industrial Estate	South East	68%
40	Currock Road East (Rickerby's) & West	Central	68%
24	Townfoot Industrial Estate	KSC	68%
50	Carlisle Airport Extension	Rural	68%
35	Denton Holme Trading Estate	Central	66%
19	Riverside, Warwick Road	South East	64%
51	Junction 42, Carleton Road	Rural	64%
34	Peter Street (North City Centre)	Central	62%
54	Land at Orton Road	Rural	62%
31	Barras Lane Industrial Estate	Rural	60%

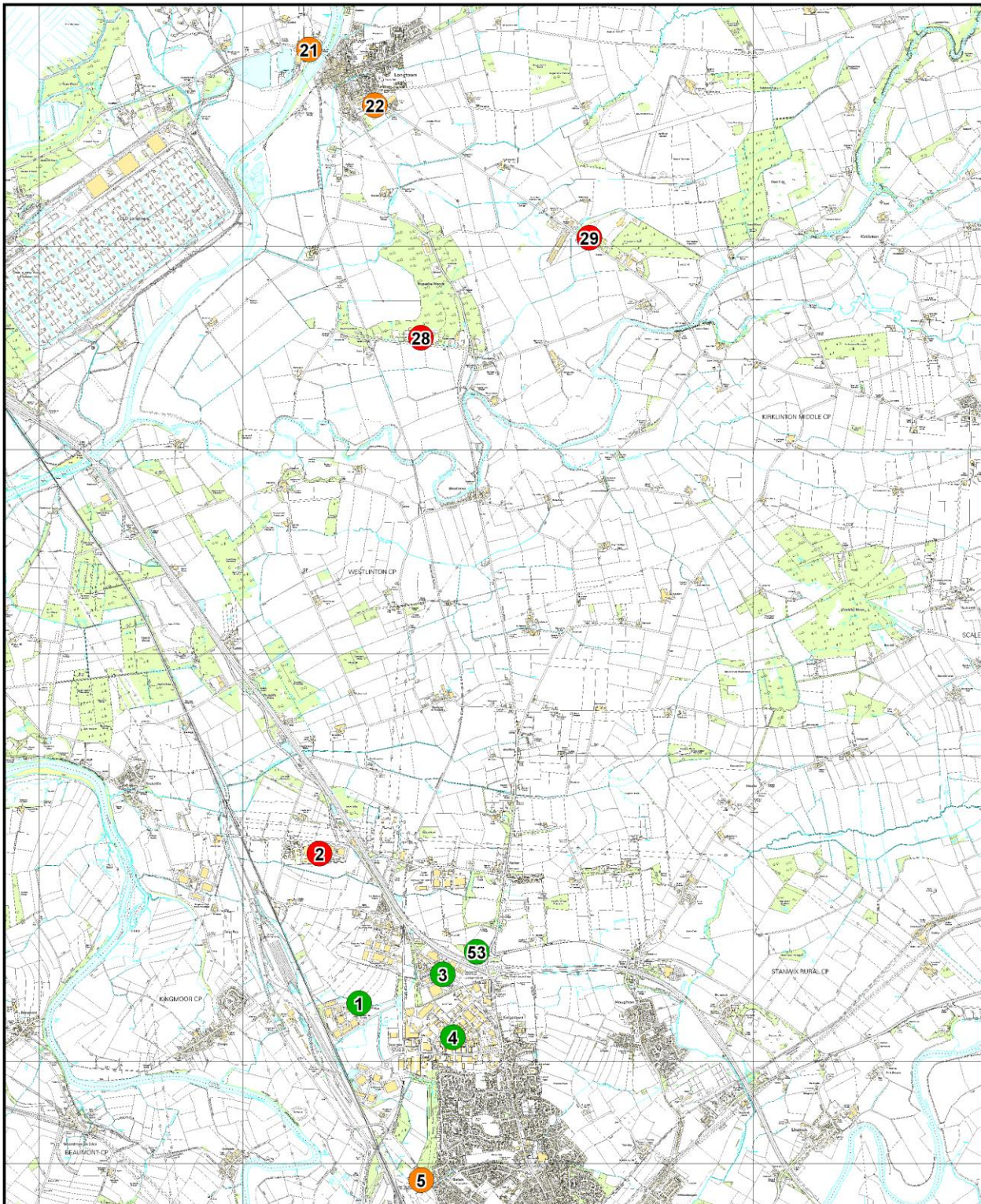
Site Ref	Site Name	Employment Area	Overall % Score
22	Borders Business Park, Longtown (4 sites)	KSC	60%
18	Bocherby/Rosehill Extension	South East	60%
14	Durranhill Sidings	South East	60%
52	M6 NE of J42, Newlands Farm, Carleton	Rural	60%
37	Caldewgate (south of Junction St, west of Lorne Cres)	Central	56%
36	Caldewgate (north of Junction Street)	Central	56%
44	Viaduct Estate Road North	Central	54%
41	James Street and Water Street	Central	54%
5	Kingmoor Industrial Estate	North	54%
32	Nestle, Dalston	Rural	54%
39	Carlisle Enterprise Centre/James Street	Central	52%
21	Longtown Bridge	KSC	52%
49	Barras Lane Industrial Estate Extension, Dalston	Rural	52%
43	Viaduct Estate Road South	Central	50%
15	Durranhill Industrial Estate	South East	50%
23	Brampton East (2 sites)	KSC	50%
47	Burgh Road Industrial Estate Extension	West	50%
11	Pirelli, Dalston Road	West	48%
6	Burgh Road Industrial Estate	West	48%
38	Denton Business Park (East Lorne St to River)	Central	48%
25	Brampton Irthing Business Centre	KSC	48%
20	Upperby Depot	South East	48%
2	Kingmoor Park - Northern Sites	North	48%
45	Laings, Dalston Road	Central	46%
42	Botchergate and Lancaster Street	Central	42%
8	Willow Holme Industrial Estate	West	42%
48	Harraby Junction	South East	42%
12	Harraby	South East	42%
26	Brampton Garage (2 sites)	KSC	42%
29	Whitesyke, SE of Longtown	Rural	42%
33	Nelson & Norfolk Street (3 sites)	Central	40%
28	Sandisyke, South of Longtown	Rural	40%
7	Newtown Industrial Estate	West	36%
13	Harraby Depot	South East	36%
30	Stead McAlpin, Cummersdale	Rural	32%



Market Attractiveness % Scores - Central and Southern Areas

Scoring Range & No. of Sites

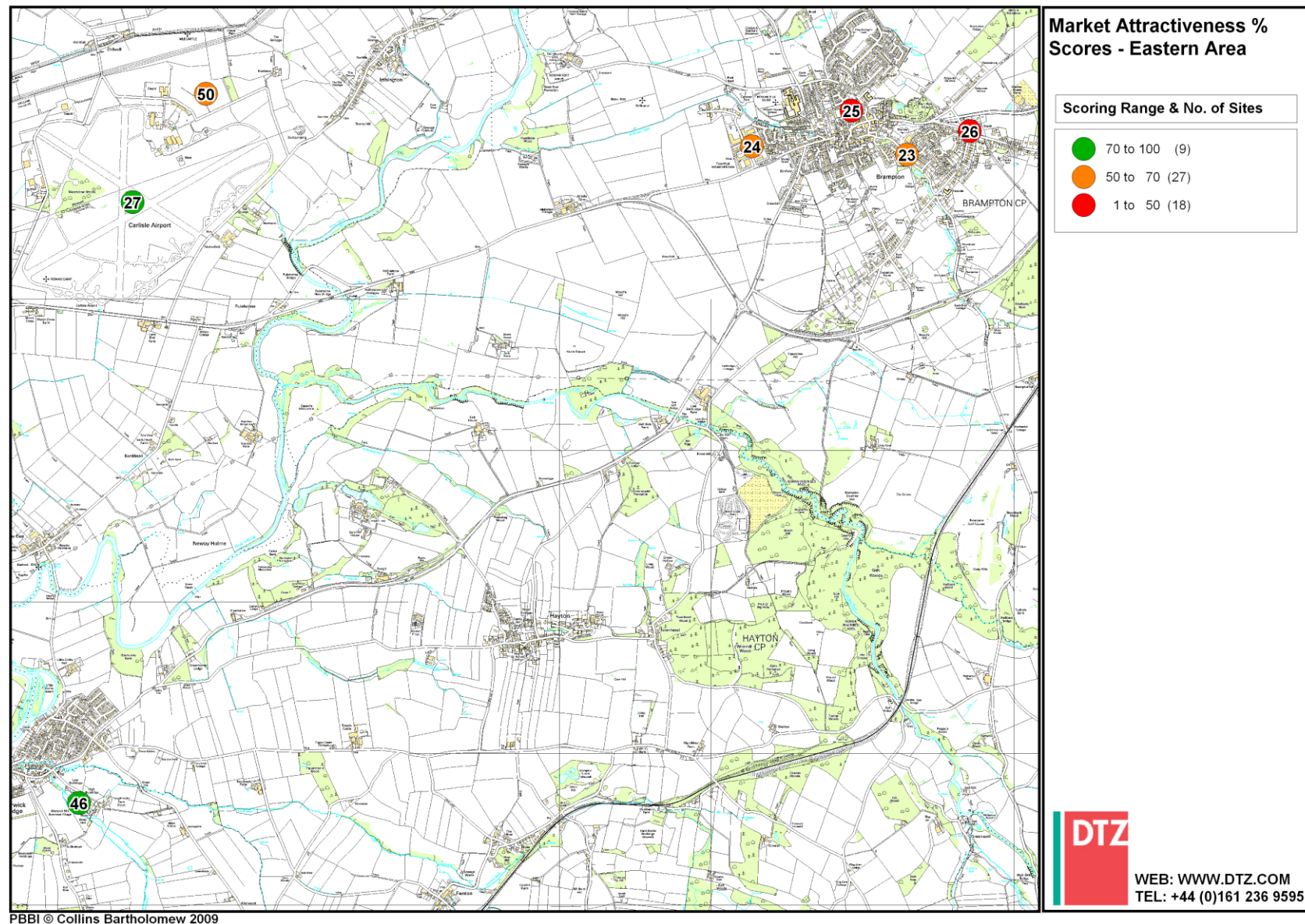
- 70 to 100 (9)
- 50 to 70 (27)
- 1 to 50 (18)


Scoring Range & No. of Sites

- 70 to 100 (9)
- 50 to 70 (27)
- 1 to 50 (18)

Market Attractiveness % Scores - Northern Area


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Sustainable Development

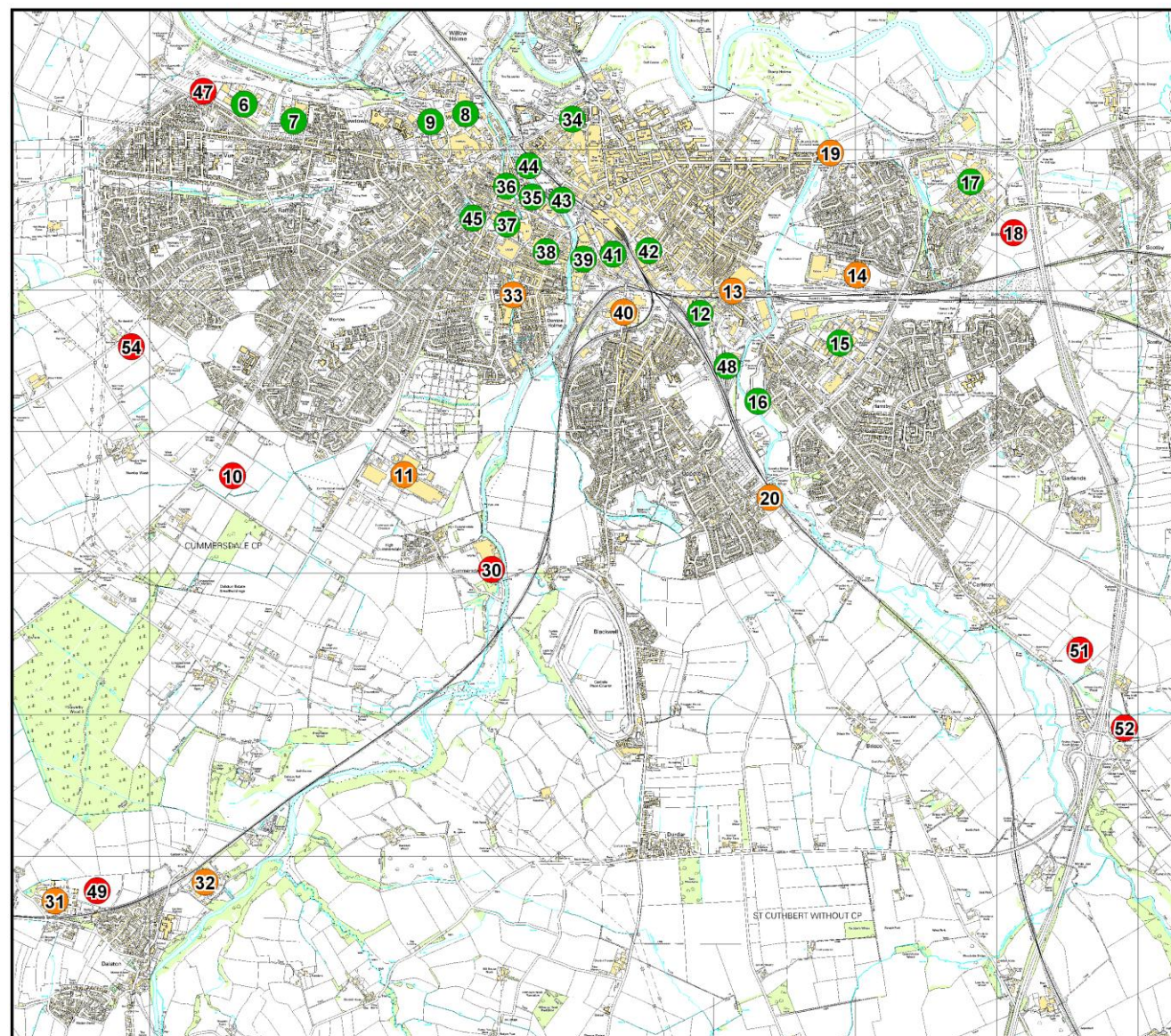
3.8 The sustainable development criteria assessed each of the sites on a number of factors including location, accessibility by public transport and by foot/cycle, impact of development on the environment and bio-diversity, and the relative suitability of the site for employment compared to other potential uses. The table below ranks and categorises each of the sites based on their sustainable development score and indicates:

- 23 out of the 54 sites assessed (43%) ranked within the best performing category for sustainable development, a higher number than in any other assessment criteria
- Almost half (11) of the best performing sites are within the City Centre and Edge of Centre broad employment area. These sites scored particularly well due to their relatively strong accessibility, and their clustering close to Carlisle explains the large number of best performing sites in this area
- The 17 (31%) moderately performing sites have a mix of characteristics but tend to be close to smaller settlements or Key Service Centres and be brownfield in nature, thus limiting environmental impacts and generally best suit their employment use
- The 14 (26%) lower performing sites in the sustainable development assessment measure tended to score poorly due to being greenfield in nature and currently lacking accessibility by sustainable travel means. A number of sites in this lower performing category would be better suited to alternative uses such as residential, retail/leisure or remaining greenfield
- Carlisle Airport performs poorly on this measure despite scoring within the top performing sites in the other two categories. This is largely due to the rural and isolated nature of the site at present. However, S106 agreements for the Stobart development require the provision of improved public transport services to the site in terms of both frequency and destination. This should help overcome some of the issues currently causing the site to perform poorly in terms of sustainable development

Table 3.3 Sustainable Development Scores from Qualitative Site Assessments

Site Ref	Site Name	Employment Area	Overall % Score
42	Botchergate and Lancaster Street	Central	94%
9	Port Road Business Park	West	89%
35	Denton Holme Trading Estate	Central	89%
37	Caldewgate (south of Junction St, west of Lorne Cres)	Central	86%
44	Viaduct Estate Road North	Central	86%
39	Carlisle Enterprise Centre/James Street	Central	86%
43	Viaduct Estate Road South	Central	86%
8	Willow Holme Industrial Estate	West	86%
34	Peter Street (North City Centre)	Central	83%
15	Durranhill Industrial Estate	South East	83%
17	Rosehill Industrial Estate	South East	80%
36	Caldewgate (north of Junction Street)	Central	80%
41	James Street and Water Street	Central	80%
38	Denton Business Park (East Lorne St to River)	Central	80%
4	Kingstown Industrial Estate	North	77%
3	Parkhouse (north of devpt route)	North	77%
6	Burgh Road Industrial Estate	West	77%
48	Harraby Junction	South East	77%
12	Harraby	South East	77%

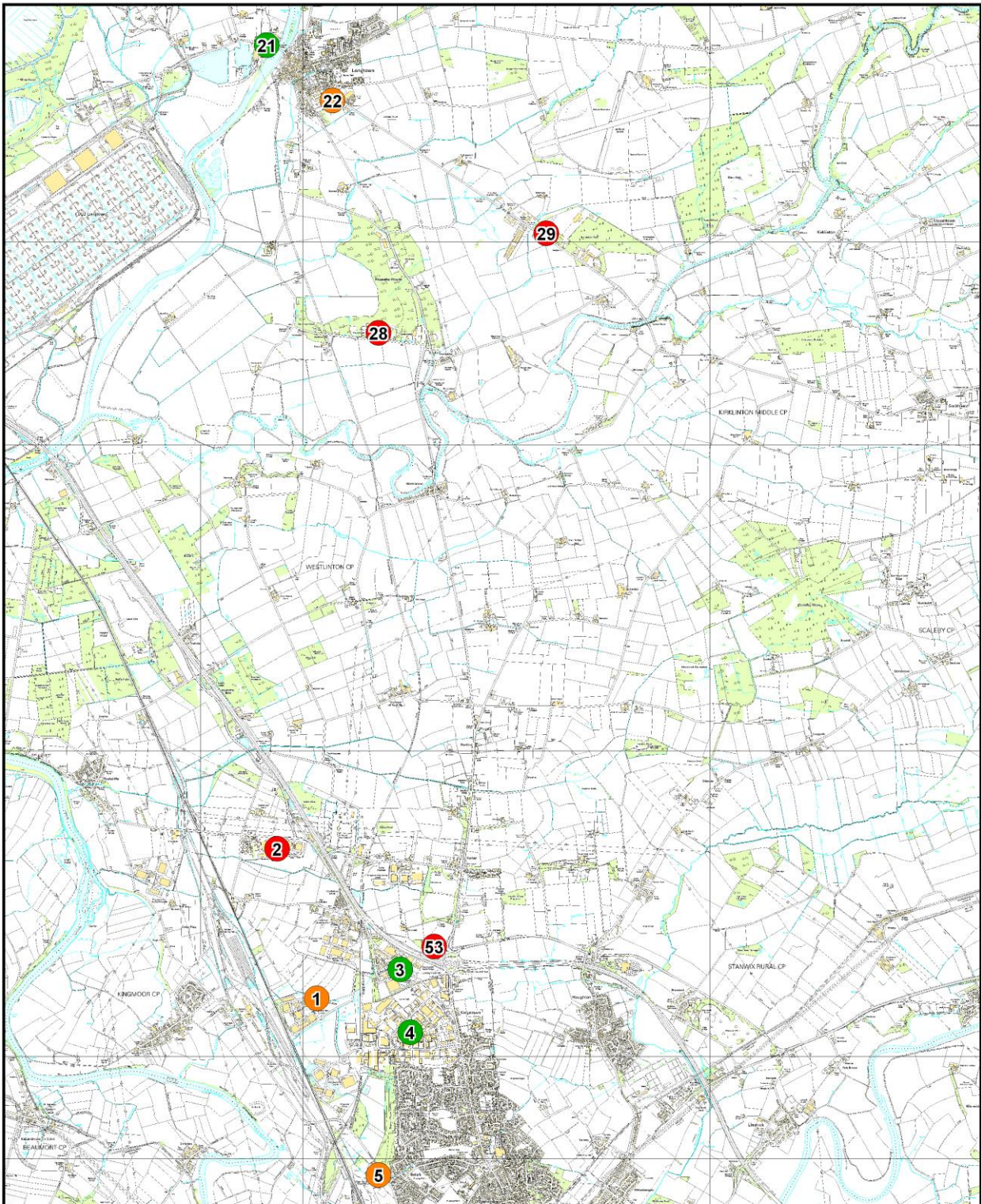
Site Ref	Site Name	Employment Area	Overall % Score
21	Longtown Bridge	KSC	74%
7	Newtown Industrial Estate	West	74%
16	Harraby Green Business Park	South East	71%
45	Laings, Dalston Road	Central	71%
40	Currock Road East (Rickerby's) & West	Central	69%
19	Riverside, Warwick Road	South East	69%
33	Nelson & Norfolk Street (3 sites)	Central	69%
5	Kingmoor Industrial Estate	North	66%
20	Upperby Depot	South East	66%
13	Harraby Depot	South East	66%
46	Warwick Mill Business Centre	Rural	63%
25	Brampton Irthing Business Centre	KSC	63%
24	Townfoot Industrial Estate	KSC	60%
31	Barras Lane Industrial Estate	Rural	60%
11	Pirelli, Dalston Road	West	60%
1	Kingmoor Park & Brunthill	North	57%
22	Borders Business Park, Longtown (4 sites)	KSC	57%
23	Brampton East (2 sites)	KSC	57%
26	Brampton Garage (2 sites)	KSC	57%
14	Durranhill Sidings	South East	54%
32	Nestle, Dalston	Rural	51%
2	Kingmoor Park - Northern Sites	North	49%
47	Burgh Road Industrial Estate Extension	West	46%
27	Carlisle Airport	Rural	43%
18	Bocherby / Rosehill Extension	South East	43%
53	Grearshill Extension	North	40%
54	Land at Orton Road	Rural	40%
30	Stead McAlpin, Cummersdale	Rural	37%
10	South West of Morton	West	34%
29	Whitesyke, SE of Longtown	Rural	34%
28	Sandisyke, South of Longtown	Rural	34%
50	Carlisle Airport Extension	Rural	31%
49	Barras Lane Industrial Estate Extension, Dalston	Rural	31%
52	M6 NE of J42, Newlands Farm, Carleton	Rural	29%
51	Junction 42, Carleton Road	Rural	20%



Sustainable Development % Scores - Central and Southern Areas

Scoring Range & No. of Sites

- 70 to 100 (23)
- 50 to 70 (17)
- 1 to 50 (14)



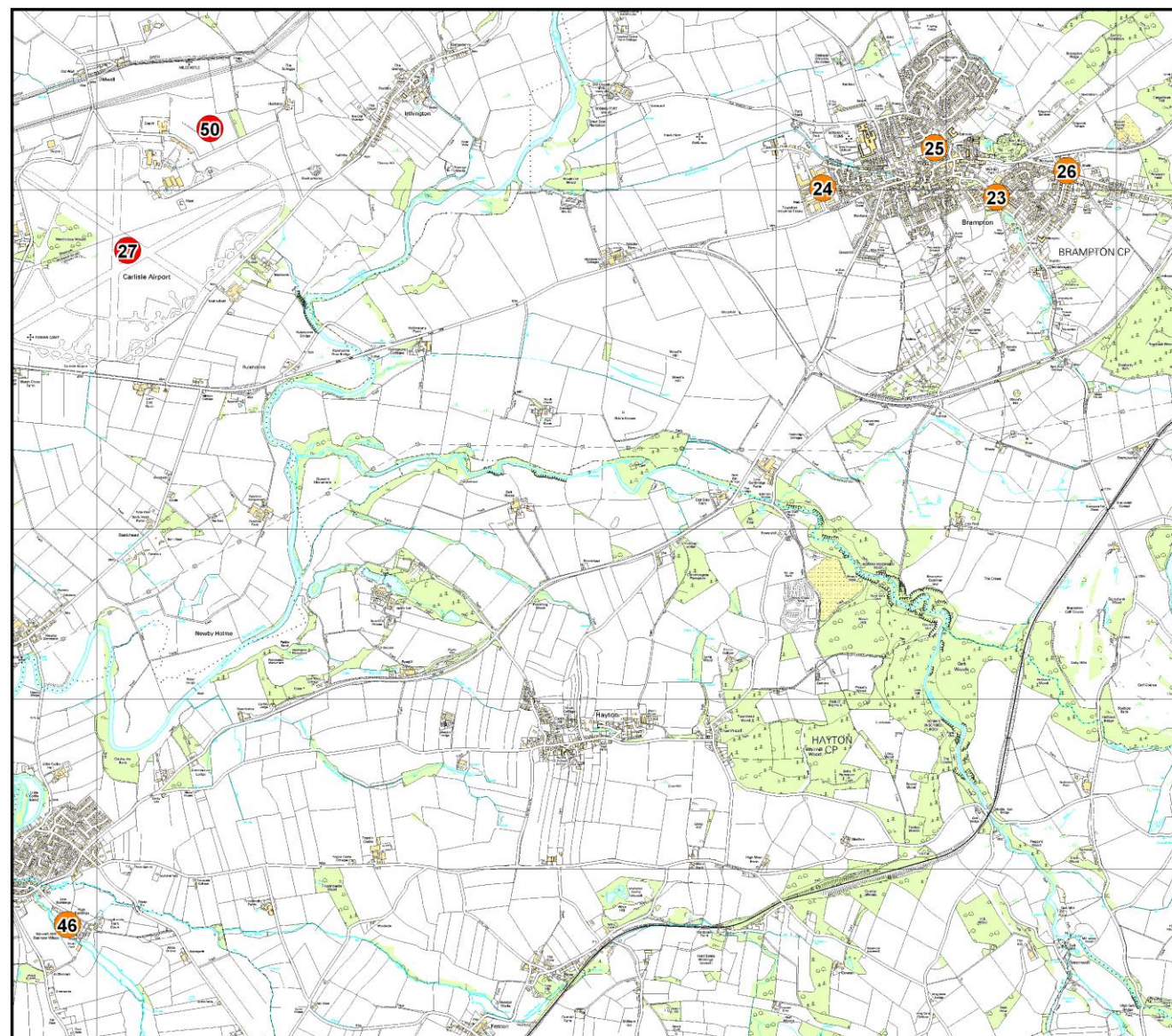
Scoring Range & No. of Sites

- 70 to 100 (23)
- 50 to 70 (17)
- 1 to 50 (14)

Sustainable Development % Scores - Northern Area



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Sustainable Development % Scores - Eastern Area

Scoring Range & No. of Sites

- 70 to 100 (23)
- 50 to 70 (17)
- 1 to 50 (14)

Strategic Planning

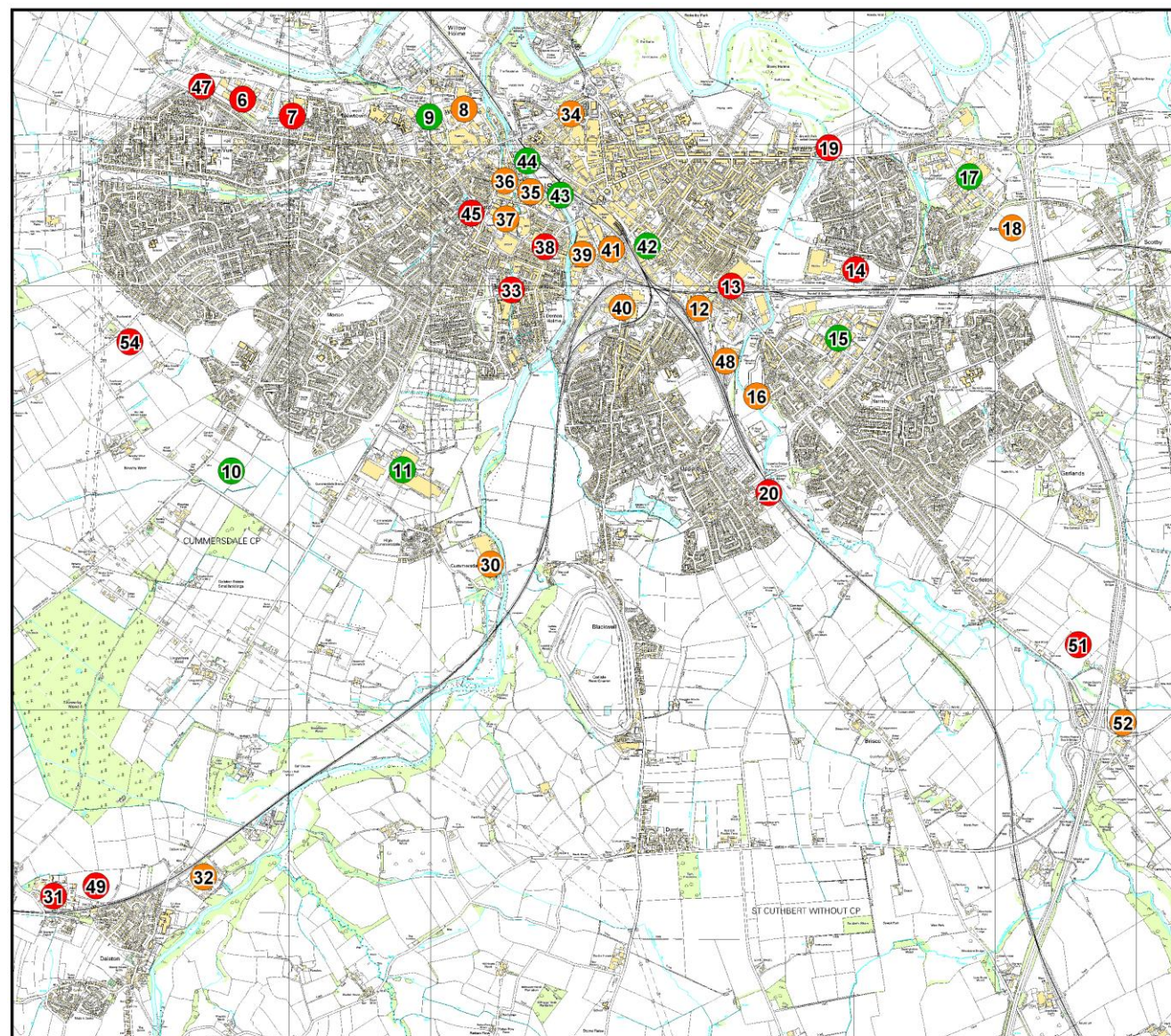
3.9 The table below ranks and categorises each of the sites based on their strategic planning score, which included an assessment of their existing planning context, the presence of any regeneration proposals, the suitability of neighbouring uses to employment development and relevance to the RSS, RES and economic development in the District generally. The findings indicate:

- Just 11 of the 54 sites assessed (20%) scored within the best performing category under the strategic planning assessment. Those sites recognised as Regional Investment Sites (Kingmoor Park, Viaduct Estate Road sites) score well due to their importance to regional and local economic development. The majority of these top scoring sites are also subject to a number of development proposals including Carlisle Airport and South West Morton
- The 14 moderately scoring sites (26%) tend to have more limited contribution to RSS/RES objectives, but tend to have more significance in terms of fulfilling a local employment role
- The majority of sites assessed scored within the lower performance grouping under the strategic planning measure - 29 out of the 54 sites (54%). Many of those sites put forward through the LDF Call for Sites process appear here due to their currently unallocated planning status. Other sites scored low here tended to be smaller or more rural sites with no relation to regeneration proposals and of limited importance to wider economic development priorities

Table 3.4 Strategic Planning Scores from Qualitative Site Assessments

Site Ref	Site Name	Employment Area	Overall % Score
1	Kingmoor Park & Brunthill	North	93%
27	Carlisle Airport	Rural	87%
4	Kingstown Industrial Estate	North	80%
44	Viaduct Estate Road North	Central	77%
10	South West of Morton	West	77%
9	Port Road Business Park	West	73%
43	Viaduct Estate Road South	Central	73%
42	Botchergate and Lancaster Street	Central	70%
15	Durranhill Industrial Estate	South East	70%
17	Rosehill Industrial Estate	South East	70%
11	Pirelli, Dalston Road	West	70%
35	Denton Holme Trading Estate	Central	67%
48	Harraby Junction	South East	67%
12	Harraby	South East	63%
39	Carlisle Enterprise Centre/James Street	Central	60%
3	Parkhouse (north of devpt route)	North	60%
16	Harraby Green Business Park	South East	60%
40	Currock Road East (Rickerby's) & West	Central	60%
52	M6 NE of J42, Newlands Farm, Carleton	Rural	60%
8	Willow Holme Industrial Estate	West	57%
41	James Street and Water Street	Central	57%
32	Nestle, Dalston	Rural	57%
18	Bocherby / Rosehill Extension	South East	57%
50	Carlisle Airport Extension	Rural	57%
36	Caldewgate (north of Junction Street)	Central	53%
37	Caldewgate (south of Junction St, west of Lorne Cres)	Central	50%
34	Peter Street (North City Centre)	Central	50%
21	Longtown Bridge	KSC	50%

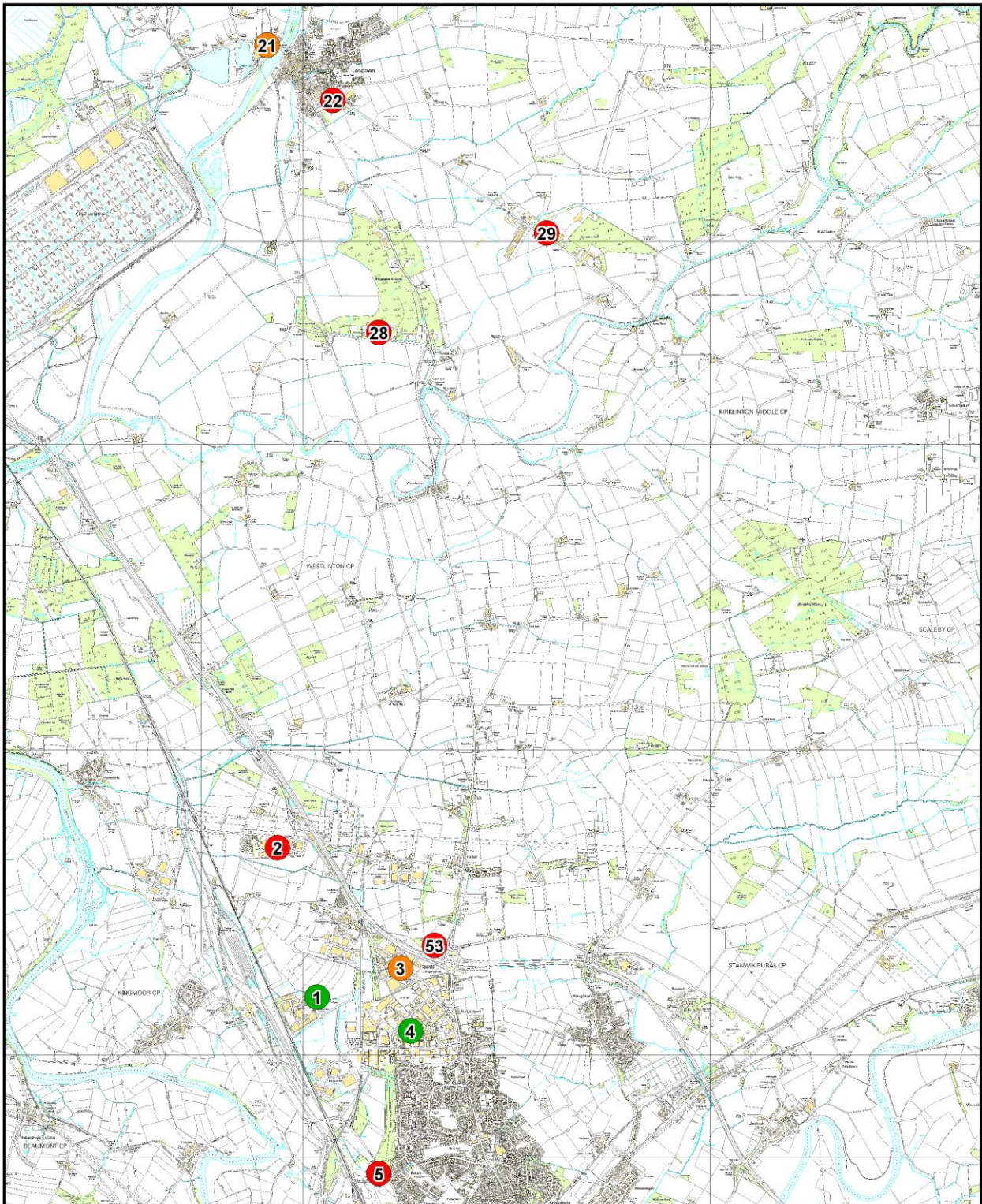
Site Ref	Site Name	Employment Area	Overall % Score
25	Brampton Irthing Business Centre	KSC	50%
24	Townfoot Industrial Estate	KSC	50%
30	Stead McAlpin, Cummersdale	Rural	50%
6	Burgh Road Industrial Estate	West	47%
31	Barras Lane Industrial Estate	Rural	47%
23	Brampton East (2 sites)	KSC	47%
38	Denton Business Park (East Lorne St to River)	Central	43%
7	Newtown Industrial Estate	West	43%
19	Riverside, Warwick Road	South East	43%
5	Kingmoor Industrial Estate	North	43%
22	Borders Business Park, Longtown (4 sites)	KSC	43%
20	Upperby Depot	South East	40%
14	Durranhill Sidings	South East	40%
53	Grearhill Extension	North	40%
29	Whitesyke, SE of Longtown	Rural	40%
28	Sandisyke, South of Longtown	Rural	40%
45	Laings, Dalston Road	Central	37%
13	Harraby Depot	South East	37%
46	Warwick Mill Business Centre	Rural	37%
2	Kingmoor Park - Northern Sites	North	37%
49	Barras Lane Industrial Estate Extension, Dalston	Rural	37%
51	Junction 42, Carleton Road	Rural	37%
33	Nelson & Norfolk Street (3 sites)	Central	33%
26	Brampton Garage (2 sites)	KSC	33%
47	Burgh Road Industrial Estate Extension	West	30%
54	Land at Orton Road	Rural	30%



Strategic Planning % Scores - Central and Southern Areas

Scoring Range & No. of Sites

- 70 to 100 (11)
- 50 to 70 (20)
- 1 to 50 (23)



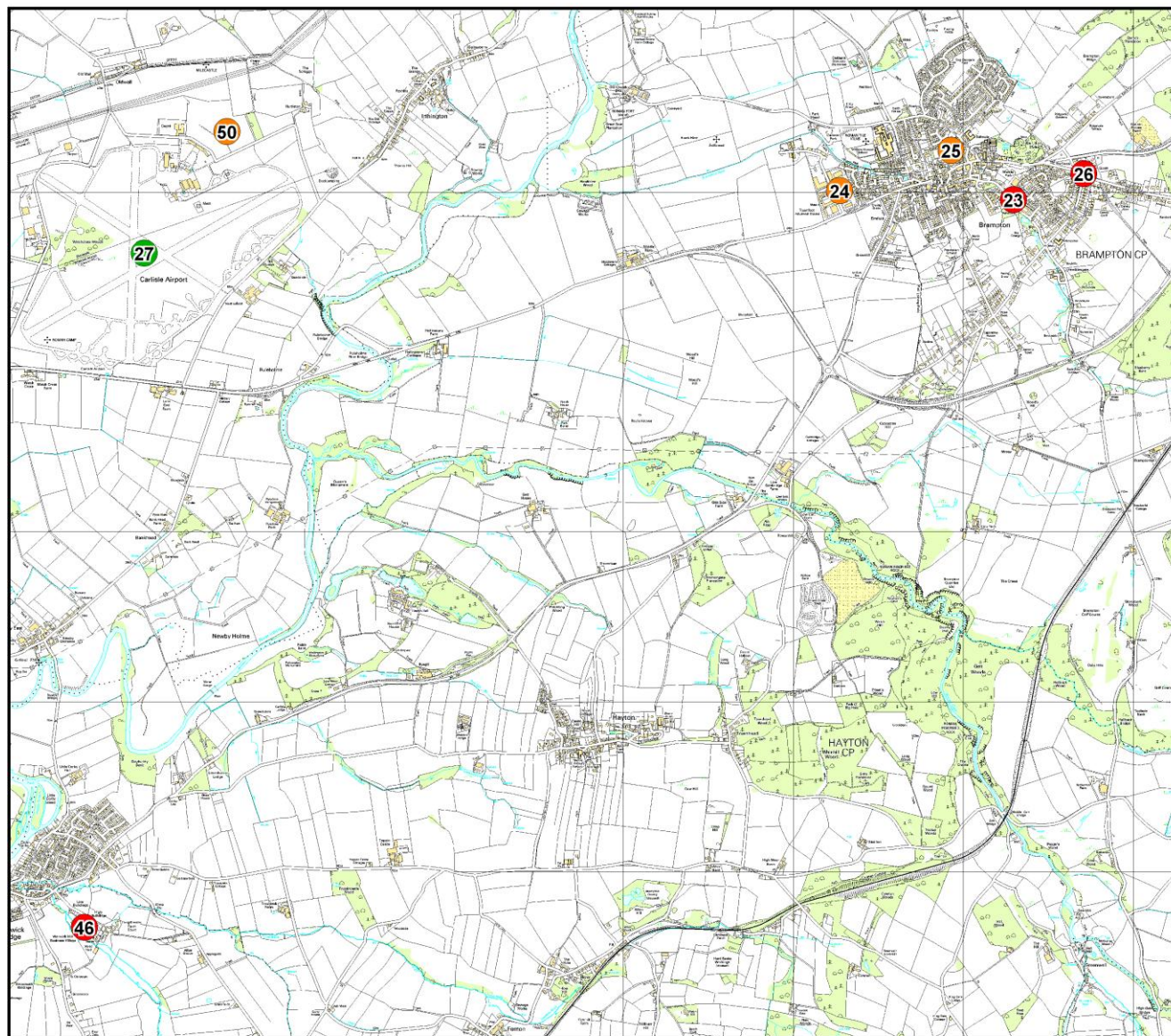
Scoring Range & No. of Sites

- 70 to 100 (11)
- 50 to 70 (20)
- 1 to 50 (23)

Strategic Planning % Scores - Northern Area



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Strategic Planning % Scores - Eastern Area

Scoring Range & No. of Sites

- 70 to 100 (11)
- 50 to 70 (20)
- 1 to 50 (23)

Implications for the Employment Land Study

- Many of the best performing sites overall are those higher quality sites that have recently witnessed new employment development or have significant proposals in the pipeline
- Many of the sites identified through the LDF Call for Sites process have scored poorly overall due to their relative remoteness, lack of accessibility, and environmental impacts of greenfield development (sustainability criteria), together with their lack of existing employment allocation (strategic planning criteria) and untested levels of developer and market interest (market attractiveness criteria)
- Sites in rural areas and on the edge of smaller settlements tend not to perform well on sustainability criteria, as they tend to be greenfield, accessible to only a small population and often only by car. Despite this, they may play an important employment role locally and support the overall sustainable communities agenda
- The qualitative review raises a number of questions for stakeholders, in particular:
 - **Targeting resources** - should investment be focused on improving selected sites, for example those which are at the top end of 'moderately performing' to lift them into the best performing category, or should it be targeted at some less well performing sites which fulfil a specific need (e.g. sites which serve a Key Service Centre or rural market)?
 - **Benefits of investment** - with the exception of public transport access, sustainability scores cannot be altered to a significant degree as the criteria relate to factors which are a product of the inherent characteristics of the site. There is more scope to influence some of the market attractiveness and strategic planning criteria
 - **Reasons behind scoring** - is good performance on market criteria in some instances such as at Kingmoor Park, a product of limited alternative supply of available large scale sites or a lack of quality product elsewhere?
 - **New allocations** - should consideration be given to expanding the allocations of sites which perform well overall? This would need to be reconciled with the need to reduce overall quantum of supply and achieving a geographical balance of provision across Carlisle
 - **De-allocations** - the qualitative review points to the de-allocate sites
 - **Roles of sites** - which lower scoring sites should be retained to accommodate low grade employment uses?

4.0 Past Demand for Employment Space

Key Messages

Drivers

- Carlisle's commercial property market is very localised constraining its scale and demand, however this has also resulted in relative protection from the peaks and troughs of economic cycles
- Carlisle's City Centre office market has suffered from a lack of quality floorspace and movement and parking issues. New out of town provision has drawn occupiers from the City Centre. The result is very low central rents which cannot support new development
- Carlisle's industrial market is much more stable than the office market and rental levels are reasonable. However, there is a mismatch between a focus of new supply in the north and the location of the majority of the labour force in the south of the urban area
- The delivery of residential and employment in tandem through the Growth Point will maximise Carlisle's economic growth prospects and its attractiveness as an employment location
- Development of the CNDR and the Airport will improve perceptions of the City as an accessible place to do business. The presence of Stobart at the Airport will also be an important driver for further development
- There are a number of key sectors within the city whose growth must be supported through the employment land supply - especially food and drink, agriculture and logistics
- City Centre office development unviable without public sector support or considerable uplift in achievable rental values
- ICT infrastructure whilst fit for purpose now, will require significant investment in the future to ensure businesses remain competitive going forward
- The lack of freehold and modern leasehold land within the City is acting as a market constraint and must be addressed moving forward
- Any past issues with services supply, particularly electricity at Kingmoor, have now been resolved. Moving forward upgrades to power supplies as part of Energy Coast raise a potential opportunity

Demand

- At a total of 49 hectares and averaging 9.8 hectares per annum, over the last five years employment land take up in Carlisle has accounted for almost half of the Cumbrian average and total (20.47 and 102.34 hectares), highlighting the District's important growth role
- 89.8% of the 2005-10 employment land take up has been in North Carlisle, more specifically Kingmoor Park and Parkhouse
- However development at Kingmoor and Parkhouse meant that Carlisle experienced an unusual peak in development activity through 2005 to 2007. As such, a two year average may be more reflective of true levels of activity and equates to 1.71 hectares per annum
- On average 9,405 sq m (101,000 sq ft) of employment floorspace has been transacted per annum over the last five years, this equates to 2.3 hectares per annum. In total only 13,400 sq m (144,050 sq ft) has related to office transactions. 7,544 sq m (81,200 sq ft) of this has been for new/refurbished office space
- J40 at Penrith has provided an alternative location for some out of town office occupiers looking for motorway access and access to the West Coast
- The vast majority of enquiries are locally generated. There has been a marked decline in enquiries for employment space over the last 12 months

Introduction

- 4.1 This section considers the past demand for employment space in Carlisle, together with Penrith as a means of comparison and the wider Cumbria sub-region. The key drivers of take up at both a national, regional and sub-regional perspective are considered. The section is structured as follows:
- Market Drivers
 - Future Drivers
 - Opportunities for Carlisle
 - Barriers to Investment
 - Evidence of Demand

Market Drivers

Generic Drivers

- 4.2 Demand for employment space in Carlisle, as anywhere, is driven by multiple factors. However, the primary drivers for almost all occupiers are as follows.
- 4.3 **Location** - the broad location a business needs to be in order to best suit their business needs, in terms of both access to customers (internal and external), supply chain and employees. In a higher value added economy access to skills is an increasingly important driver. Businesses requiring a low skill base will locate where there is a plentiful supply of cheap labour; businesses requiring higher level skills will base in areas with concentrations of appropriate skills but will anticipate greater travel to work distances as a consequence of higher pay levels. Choice of location will be driven by accessibility which, depending on the nature of the business, could be either excellent strategic highways connections or high level public transport access, or a combination of the two.
- 4.4 **Quality of place/environment** - linked to the above at a more specific level is the quality of the site/location in which businesses choose to locate. Increasingly locational decisions are driven by human resource considerations, especially so in relation to financial and professional service office based businesses. In a competitive labour market businesses want to locate in vibrant and attractive office locations, which are easily accessible by public and private transport and provide cultural and leisure facilities for staff. This driver has facilitated a pull back to central locations where these facilities are on tap, and away from car dominated, poorly serviced out of town business parks where businesses have found difficulties recruiting on all but the very best parks. The out of town business parks which have remained attractive are those which provide a mix of uses on site, such as convenience stores, cafes, gyms, crèches, outdoor space etc, and so provide more amenities and services for staff.
- 4.5 The new PPS4 Planning for Sustainable Economic Development, adds further weight to this trend from a policy perspective by advocating a town and city centre first policy for certain types of development. PPS4 effectively expands the sequential test to cover much office development as well as retail.

- 4.6 **Availability of space** - ultimately most occupiers are opportunistic, they will go where the right space is available at the right time - first choice will be within their existing location and then places nearby or with similar attributes which satisfy staff need. This highlights the need to ensure that any location has a supply of 'oven ready' sites and premises to enable it to react to the needs of both existing and incoming businesses.
- 4.7 **Economic recession** - a key driver, especially pertinent at the current time is the economic climate. In the midst of a recession, most organisations expansion plans have been put on hold, there is very little demand for new space and development of such has almost ground to a halt. The economy has acted as a constraint on business for the last 18 months to two years. However, as economic conditions improve and business confidence improves, so will demand for employment space and in turn, the development of new space to meet those requirements.
- 4.8 **Financial incentives and the public sector intervention** - in the past occupiers have been driven to particular locations by the public sector, both through the planning system and, more frequently, through the availability of grants and incentives. However, public sector spending cuts mean that this is unlikely to be such a significant driver moving forward, and the public sector's role will be more of an enabler in particular through the planning system. A key starting point will be to ensure that locations have an appropriate portfolio of sites available to meet a range of business needs, and then secondly to establish the right 'business friendly' support infrastructure which will enable them to work with businesses to turn their plans into actual investment. The abolition of rate relief on empty properties has impacted on speculative development, particularly in marginal locations. It has also impacted on the supply of second hand space as owners seek to demolish property rather than carry the burden of empty rates costs on unoccupied property.

Carlisle Specific

- 4.9 **Self containment** - the critical point about the Carlisle commercial property market is that it is highly self contained. Many Carlisle based businesses have links with other regions and sub-regions in terms of their operations, and indeed there are some major national and international players located within the City, the most notable being Pirelli and Stobart. However, in terms of property market relationships, i.e. businesses moving in and out of Carlisle from other locations, interaction is very limited. This reflects both a strong local business base and therefore strong ties to the City. But it may also reflect the general low quality of the commercial sites and premises offer within the City, and a perception of a lack of truly available sites. Although Carlisle's geographic isolation will always act as a constraint on the geographical extent and the scale of the commercial property market, this lack of quality available supply may be acting as a further unnecessary check on growth. Moving forward there is a real risk that if this is not addressed some of the key players currently located within Carlisle may begin to look outside of the City to find premises and sites which more readily suit their business needs.
- 4.10 **Economic cycles** - in recent times this internal market has ensured that Carlisle has to some extent been shielded from the full impacts of the recession. Carlisle is accustomed to less marked peaks and troughs in demand and this trend has continued in the City throughout the recession. Rental levels have remained fairly constant over the last five years or so at around £75-97/sq m (£7-9 psf) for city centre offices (with no parking) and £129/sq m (£12 psf) out of town (although there has been a recent dip in out of town values in the north of the City due to a glut in supply). Industrial rents have been steady at around £48/sq m (£4.50 psf) for industrial and warehousing.

Sector Specific

Office Market

- 4.11 Carlisle's office market has operated in recent times in a way which is contradictory to national trends, i.e. demand in the centre appears to be very limited, reflected in low rents, whilst significant development at Parkhouse Business Park and Rosehill has occurred and sucked demand from the city centre. However, agents advise that there are requirements for city centre office space reflecting national drivers related to the employee base, however these cannot be met due to a lack of quality floorspace within the centre and issues of both car parking and congestion.
- 4.12 The city centre office market is limited in so far as the historic core makes redevelopment of large parts extremely difficult and as such, any new development which has occurred has been limited to the fringes (Botchergate) or to refurbishment of existing buildings. Rental values for offices in the centre are such that there is little prospect of investment at current levels, and the constraints on demand keep these levels low. Much of the City Centre's office space will not meet the future needs of businesses and there is the risk of a long-term haemorrhage of jobs and economic activity to newer facilities in out of town locations, both in and outside of Carlisle. J40 at Penrith has proved to be a key attractor in these terms.
- 4.13 A further constraint on business in the centre is the lack of a 4* hotel and conference facility. If Carlisle is to achieve a step change in its business and leisure tourism profile it needs the quality and range of facilities expected of a Regional City.

Industrial

- 4.14 Within the overall supply of industrial premises in Carlisle of c.1 million sq m, over 80% of this was constructed pre-1980. The stock is generally secondary in nature by type and layout, age and condition. However vacancy rates are generally low and, while there is no sign of a shortage of second hand premises, choice is limited with Kingmoor Park dominating supply. There is a severe shortage of new or modern industrial premises in a range of sizes and locations and there are no major new schemes in the pipeline. This could have the impact of either restricting business growth by confining those who want to stay in Carlisle to inadequate premises, or result in businesses moving out of the City to more accessible locations with better quality stock.
- 4.15 The northern bias of new development in Carlisle has had an impact on the operation of industrial property market. Whilst Kingmoor Park will continue to provide the bulk of the development land in the short to medium term, its location at the northern edge of urban Carlisle is not ideal for most of the urban population which is located in south Carlisle. Therefore there are difficulties for businesses accessing a workforce in the south of the City, particularly as most transport routes are via the congested City Centre. This could either suggest a need to explore future development opportunities in the south of the district and/or interventions which help to improve access to jobs in the north from the south - the CNDR may have a key role to play as a fast access corridor.

Key Sectors and Employers

- 4.16 Carlisle has some key strengths in growing sectors which will provide a basis for future growth. These include food and drink (clustered at Durranhill - Cavaghan & Gray (Northern Foods) and Rosehill), agriculture (clustered at Rosehill - H&H) and logistics (driven by Stobart, currently at Kingmoor but with aspirations to move to the Airport). As alluded to previously there may also be opportunities to tap into the growth of the energy sector on the West Coast, although, despite improved accessibility, we anticipate these will be limited. It is crucial that the public sector partners within the city seek to support these key employers and sectors through ensuring that their specific needs can be met through Carlisle's employment land and premises portfolio. The loss of any of the major businesses which anchor these sectors would undermine the potential for future economic growth and the stability of commercial market demand.

Future Drivers of Carlisle's Commercial Property Market

- 4.17 **Growth Point Status** - as a historic city located within a predominantly rural location, and near to the stunning beauty of the Lake District, Carlisle should have the potential to offer an excellent environment within which to base a business and an excellent quality of life for employees. The delivery of new good quality housing through the Growth Point programme should increase its attractiveness. If a choice of good quality employment sites can be provided in tandem then this can help to provide the foundations for a much stronger commercial market and economic growth.
- 4.18 **Accessibility** - one key potential driver of future growth in Carlisle could be the current investment proposals by Stobart Air Ltd to modernise and expand facilities at Carlisle airport. The Government White Paper 'Future of Air Transport 2003' recognised the value that air services could have on assisting economic growth in Carlisle's catchment area.
- 4.19 The current £25 million plans to realign the runway, construct a new terminal and freight distribution centre and upgrade the navigational systems are the pre-requisite to the introduction of passenger and freight services, are identified as having the potential to:
- Help transform North Cumbria's image and its popular perception as being peripheral and lacking in modern business infrastructure
 - Increase economic efficiency and competitiveness by reducing wasteful business travel time and assisting reinvestment and new inward investment
 - Support the infrastructure investments in the two strategic regional employment sites at Kingmoor Park and Westlakes and through improved connectivity, assist the development of the Energy Coast Masterplan for West Cumbria
 - Help drive up GVA through exploiting the "direct relationship between airport capacity and employment and productivity" as identified in the Northern Way Growth Strategy Connectivity Technical Report 2004 and through the opportunities for job creation at the airport itself
- 4.20 The £143 million investment in the Carlisle Northern Development Route (CNDR) will help reduce traffic congestion along Scotland Road into the City Centre. It will maximise the scope for development of Kingmoor Park and improve strategic transport links for West Cumbria, Scotland and the North East by connecting the M6, A69, A74 and A595 without having to pass through Carlisle Centre.

- 4.21 The market take on this is that the enhancements to the airport present a very clear and positive message that Carlisle is 'open for business' and that navigation around the City will become much easier. The scale and phasing of further new development at the airport will be constrained by demand as Stobart are unlikely to develop speculatively and public sector support is likely to be limited. That said, the role of Stobart as an anchor tenant and key market attractor cannot be underestimated and will be critical in drawing other related occupiers to the Airport and the wider city.
- 4.22 Another much longer term driver will be the arrival of the planned high speed rail link, initially from London to Birmingham but with planned extensions to the north and Scotland. Whilst this is still many years away, it does mean that Carlisle has time to plan how to react to and benefit from the link.

Barriers to Investment

- 4.23 A number of barriers to investment in Carlisle have been identified throughout the consultation and document review process, each of which are considered below.
- 4.24 **ICT Infrastructure** - throughout the business consultations undertaken as part of this study, ICT featured highly as a key barrier to investment in Carlisle. Access to reliable high speed ICT infrastructure was reported to be increasingly vital to enable businesses to operate competitively, grow and expand, and ultimately attract further businesses to the District.
- 4.25 The concerns regarding ICT infrastructure are not unique to Carlisle, however the perception that the District has inferior ICT services in comparison to other areas is misleading. In reality, the current ICT provision in Carlisle and across the region is adequate with standard, BT Style, DSL broadband services being available in over 99% of the area including the most rural of locations, but often at a slower broadband speed than expected (such as at Kingstown), leading to some businesses entering into commercial arrangements with ICT suppliers to provide dedicated high speed data connection links. However, not all businesses are aware of the scale or type of ICT infrastructure options open to them.
- 4.26 The key and more pressing concern therefore should be that a lack of investment in ICT infrastructure going forward could mean that Carlisle is 'left behind' as other areas in the North West and nationally develop commercially attractive next generation ICT services (typically 10MB per sec and higher quality audio and visionary). However, the District's geographical location means it is unlikely to be the focus of available NWDA and EU investment.
- 4.27 Consequently, Carlisle should engage with the NWDA and ICT suppliers to ensure that the district's growth aspirations are understood and aligned with wider ICT strategy. Key developments, such as the Airport which will require substantial ICT infrastructure investment to become operational and attractive to market, must be aware of the need to implement robust telecommunications from the outset. Such projects may then have potential to demonstrate the value of Next Generation ICT to other developments.

- 4.28 **Services Infrastructure** - As part of Carlisle's Growth Point Programme of Development (PoD) the City Council discussed the supply of gas and electricity with United Utilities and Northern Gas Networks. It was confirmed that whilst there are no issues regarding the supply of gas to Carlisle and the KSC of Brampton, the cost of supplying gas to Longtown would be prohibitive. However, discussions with AECOM regarding development constraints as part of the Carlisle Airport Masterplan did identify gas supply as a potential issue dependant on future demand.
- 4.29 A new electricity sub-station is required at Caldew Riverside to replace the existing sub-station and would serve the site and parts of the City Centre.
- 4.30 **Lack of Freehold Offer** - a lack of availability of freehold premises in the city is perceived by some sections of the market as constraining demand. The City Council has a significant commercial portfolio and controls the freehold of three of Carlisle's major industrial estates - Durranshill, Rosehill and Kingstown Industrial Estate - as well as many smaller estates. The Council was also a partner in the Kingmoor Park JV but has since been bought out by the private sector partner. However, Kingmoor Park Properties Ltd are perceived as having a dominant position on sites, similarly only offering long leaseholds and, what many perceive as, very high rents. There are two clear and diverging views on this:
- On the one hand, the lack of a freehold offer is perceived as restricting business growth by not providing the kind of control which businesses seek at a certain stage in their growth cycle and prevents business from moving into the city due to a lack of choice
 - It is not the lack of freehold per se which restricts the market, but rather the prevalence of outdated long leases which constrain access to refinance, but which if re-gearred would prove acceptable. In addition, the lack of investment in Council owned estates which offers a poor 'front door' for businesses based there. Businesses therefore perceive that they get no return for their rent
- 4.31 In reality it is likely that both views have an element of truth depending upon the needs of individual businesses. This is a real issue in the District from both perspectives and one which must be addressed if growth ambitions are to be achieved.
- 4.32 **Environmental Constraints** - the Environment Agency flood maps show a number of sites around the south of the City Centre to be at risk of flooding. The area includes Willowholme, Viaduct Estate Road, Denton Holme Trading Park which since the completion of flood defence works are classified as Areas Benefitting from Defences (ADB), however, there is still the potential of flooding should there be a failure or breach of the defences. The other broad employment area at risk of flooding is the Longtown Bridge area. Any site larger than 1 hectare in flood zone 1, or of any size within flood zone 2 or 3, will be subject to a site specific flood risk assessment.
- 4.33 The Environment Agency confirm that any site with a previous industrial use or known contamination, will require a more detailed desk based and site investigation review to establish the extend of the need for remediation.
- 4.34 Due to some issues of capacity in the District, sewerage infrastructure should also be researched prior to development. Where possible surface drainage should be made via sustainable urban drainage methods. All sites, with the exception of Longtown, will drain into the River Eden, which is a Site of Special Scientific Interest (SSSI) and a Special Area of Conservation (SAC).

- 4.35 **Values** - as alluded to previously the constraints on demand particularly in relation to city centre offices have resulted in very low rental levels for space, albeit there are several potential options for office development schemes within the City Centre area. There is potential for new space in the City Centre, e.g. Caldew Riverside (Viaduct Estate Road sites), the former Woolworths building and mixed use schemes such as Rickergate. However, for these schemes to go forward without public sector financial support, there would need to be an increase in prime rents of over 33%, this may be a step up which is unachievable in the City in any circumstances, and certainly without wider interventions to address the movement and parking issues.
- 4.36 **City Centre Access and Movement** - although strategically Carlisle enjoys excellent accessibility to the motorway network through three junctions and rail links, the accessibility to and within the City Centre is considered to be a constraint. Congestion into the City Centre from all directions impacts on its attractiveness as an investment location. The perceived lack of and high cost of long stay car parking is a further detriment to investment and cause for concern for existing occupiers.

Evidence of Demand

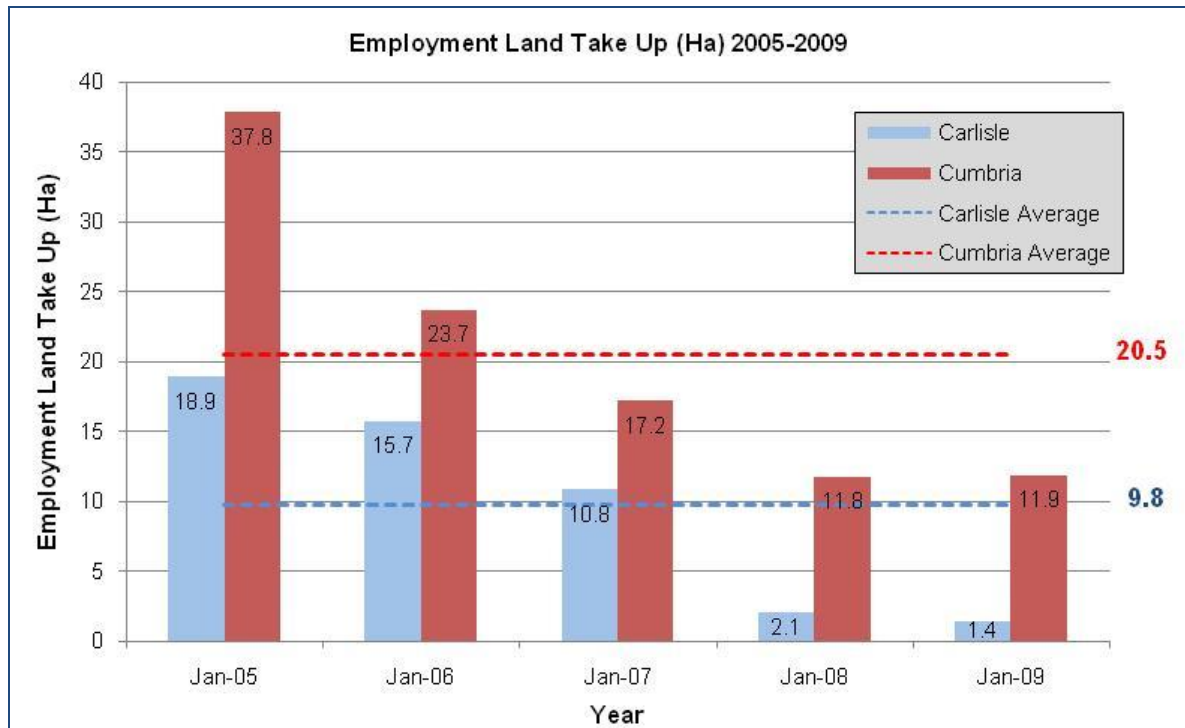
Employment Land Take-Up

- 4.37 Development rates, or the rate at which employment land is taken up, provides an indication of the level of developer demand and activity in an area. Cumbria County Council's Spatial Planning Team maintains a schedule of developed land by market sector. Table 4.2 provides an overview of these figures from 2005 to 2009 for both the Carlisle district and Cumbria as a whole. As a means of comparison the headline total figures for neighbouring Penrith and Eden District have been included.

Table 4.2 Developed Employment Land by Market Sector (ha), March 2005-9

Market Sector	Mar 05	Mar 06	Mar 07	Mar 08	Mar 09	Total	5 yr Average
Carlisle							
Regional Investment	12.75	12.63	0.5	1.75	0.5	28.13	5.6
Strategic Employment	0	0	0	0	0	0	0
Local Employment	4.72	0.8	10.06	0.31	0	15.89	3.18
Business Park	0.92	2.31	0.28	0	0.86	4.37	0.87
Own Use	0.51	0	0	0	0.08	0.59	0.11
Total Carlisle	18.9	15.74	10.84	2.06	1.36	48.98	9.8
Eden							
Penrith	0.00	0.00	1.30	0.38	0.00	1.68	0.34
Total Eden	1.88	0.00	4.28	2.55	0.25	8.96	1.79
Cumbria							
Regional Investment	22.75	18.01	0.50	1.75	0.50	43.52	8.7
Strategic Employment	0.71	0.00	0.43	2.46	0.00	3.60	0.72
Local Employment	8.46	3.38	13.29	6.77	9.18	41.08	8.22
Business Park	5.38	2.31	2.15	0.79	0.86	11.49	2.3
Own Use	0.51	0.00	0.80	0.00	0.91	2.22	0.44
Port Related	0.00	0.00	0.00	0.00	0.43	0.43	0.09
Total Cumbria	37.81	23.70	17.17	11.77	11.88	102.34	20.47

Source: Cumbria County Council



- 4.38 It is immediately clear that both the total of employment land take up (49 ha) and average five year take up rate (9.8 hectares) in Carlisle represents almost half (47.9%) of total take up in the wider Cumbrian sub-region. Whilst this highlights the sub regional importance of Carlisle as a district of employment growth over recent years, the figures also reveal that Carlisle experienced a significant and proportionately large drop in land take up in 2008 and 2009. The difficult market conditions experienced nationally at this time are sure to have contributed to this fall in take-up, however it appears that Carlisle has suffered a much larger proportionate drop in development activity than across the sub region as a whole. This most likely reflects the impact of the glut of supply delivered to the market in 2005-07 at Parkhouse and Kingmoor rather than major impact of recession.
- 4.39 Development at Regional Investment Site Kingmoor Park has accounted for 57.4% of employment land take up in Carlisle since March 2005. A further 15.9 hectares (representing 32.4%) of land has been taken up within Carlisle's Local Employment Sites which includes 5.7 hectares at Parkhouse, 2.8 hectares at Townfoot Industrial Estate at Brampton and 1.3 hectares at Durrhill. There has been no further employment land take up at Carlisle's Strategic Employment Sites in the last five years.
- 4.40 In order to take account of this unusual peak in development activity, together with the impact of recession it may be more appropriate to consider a two year average for take up which equates to 1.71 hectares per annum.
- 4.41 When compared to Penrith and the wider Eden District, it is apparent that the market in Carlisle is considerably more substantial in terms of volume of development. Whilst Eden has represented 8.8% of Cumbria's total employment land take up over the last five years, Penrith equates to just 1.6%, with an average annual take up rate of just 0.34 hectares. Penrith does have some potential advantages over Carlisle for out of town occupiers, in particular its strategic location on J40 of the M6 with direct links via the A66 to West Cumbria. As a result a small office hub has developed at

this junction which has proved attractive to some occupiers, including some occupiers previously based in Carlisle. Looking forward to the potential emerging from Energy Coast this locational advantage could become more important. However, the role of Penrith as a 'competitor' to Carlisle should not be overstated; it is simply an alternative, relatively small scale location, to be aware of.

- 4.42 Table 4.3 adds further insight into the employment land take up data by providing an analysis of the volume of employment floorspace developed in the District between 2006 and 2009 (comparable 2005 figures are unavailable). It is clear that much of the employment floorspace developed in Carlisle over the last four years (61.6% or 18,324 sq m (197,244 sq ft)) has been for B1 office and light industrial uses, a similar level to that across Cumbria as a whole (60%). Proportionately speaking B8 development in Carlisle represents a much greater percentage of completed employment floorspace to that of the sub-region at 14% and 4% respectively, and highlights the District's strategic importance to the distributional network.
- 4.43 The figures suggest an average annual employment floorspace completion rate in Carlisle of 7,400 sq m (79,656 sq ft) per annum over the last four years. This represents 30.2% of the Cumbrian average annual completion rate.

Table 4.3 Developed Employment Floorspace by Use Type (sq m), March 2006-9

Market Sector	Mar 06	Mar 07	Mar 08	Mar 09	Total	4 yr Average
Carlisle						
B1	7,640	2,598	200	7,886	18,324	4,581
B2	-	885	2,912	3,456	7,253	1,813
B8	865	407	2,912	-	4,184	1,046
Total Carlisle	8,505	3,890	6,024	11,342	29,761	7,440
Cumbria						
B1	3,770	18,820	6,806	19,907	59,303	14,826
B2	1,973	885	8,603	13,722	25,183	6,296
B8	2,083	861	5,795	5,453	4,192	3,548
Total Cumbria	17,826	20,566	21,204	39,082	98,678	24,670

Source: Cumbria County Council

Deals and Transactional Evidence

- 4.44 Table 4.4 summarises the commercial property transactions which have occurred in the Carlisle District over the last five years by type of space and quality of space. The data has been sourced using an industry standard property market database and checked by local agent Walton Goodland to ensure a robust approach to the analysis of property market activity.

Table 4.4 Deals by Type of Space and Quality in Carlisle (sq m), 2005/6-2009/10

Type	Quality	2005/6	2006/7	2007/8	2008/9	2009/ Feb10	Total	Average
Offices	New/Refurb	62	74	3,511	3,749	157	7,554	1,511
	Second Hand	738	384	2,948	797	963	5,830	1,166
Industrial & Warehousing	New/Refurb	0	348	5,695	6,942	2,960	15,946	3,189
	Second Hand	3,873	3,160	3,866	2,090	4,704	17,694	3,539
Total		4,674	3,967	16,020	13,579	8,784	47,024	9,405

Source: Focus Co Star 2010 and Walton Goodland

- 4.45 As can be seen from the figures above, take up of both industrial and office space across the District has varied dramatically from year to year. The strongest years were undoubtedly 2007/8 and 2008/9 across all sectors, however there has also been a considerable amount of industrial space transacted in the last 12 months. The five year averages for office space show a relatively similar level of transactions for both new/refurbished and second hand space, with 1,511 sq m and 1,166 sq m (16,265 sq ft and 12,551 sq ft) respectively. For new/refurbished office space, the five year average is skewed somewhat by the volume of space transacted in both 2007/8 and 2008/9. Without these volumes, the average would be considerably lower. The same can be seen for second hand space, with more than double the average transacted in 2007/8. This appears to buck the market trend with Carlisle experiences higher levels of transaction in years when other towns and cities have experienced a marked decline in market activity. This most likely reflects the delivery of a significant amount of floorspace to the market between 2005 and 2007 and the time lag related to take up of this space.
- 4.46 In terms of industrial transactions, the five year average for new/refurbished space is 3,189 sq m (34,330 sq ft) and for second hand space is 3,539 sq m (38,095 sq ft). The new and refurbished market was buoyed by two strong transactional years in 2007/8 and 2008/9, whilst the second hand market has held up with relatively consistent levels of transactions year on year, the only exceptions being 2008/9 with considerably below average take up and 2009/10 with above average take up.
- 4.47 Table 4.5 shows the same information for Eden over the same period as that considered for Carlisle above. What is immediately apparent is that there appears to have been a dearth of transactions on new or refurbished space, suggesting that second hand stock dominates the Eden District market. However, the key point here is that transactional activity in Eden has over the past five years been at around a third volume of that across Carlisle.

Table 4.5 Deals by Type of Space and Quality in Eden (sq m), 2005/6-2009/10

Type	Quality	2005/6	2006/7	2007/8	2008/9	2009-Feb2010	Total	Average
Offices	New/Refurb	0	0	70	127	0	197	39
	Second Hand	65	0	1,714	1,702	1,226	4,707	941
Industrial & Warehousing	New/Refurb	0	0	0	93	1,126	1,219	244
	Second Hand	0	325	2,025	1,837	6,576	10,763	2,153
Total		65	325	2,025	1,930	7,702	16,886	3,377

Source: Focus Co Star 2010

- 4.48 Standard industry conversion rates can be used to provide an indication of the likely land take that the deals data represents¹¹. The table below summarises these conversion calculations and shows that the 47,024 sq m (506,183 sq ft) of employment floorspace taken up in the District over the last five years is likely to have resulted in an estimated land take up of 11.3 hectares. This provides an average of 2.3 hectares of employment land take up per annum.

Table 4.6 Land Conversion of Deals by Type and Quality in Carlisle (sq m), 2005/6-2009/10

Type	Quality	2005-2010 Total	5 Year Average	Land Area Conversion (Ha)	Avg Land Conversion (Ha)
Offices	New/Refurb	7,554	1,511	1.8	0.4
	Second Hand	5,830	1,166	1.4	0.3
Industrial & Warehousing	New/Refurb	15,946	3,189	3.8	0.8
	Second Hand	17,694	3,539	4.2	0.8
Total		47,024	9,405	11.3	2.3

Source: DTZ, Focus Co Star 2010 and Walton Goodland

¹¹ Standard conversion used = B1 floorspace accounts for 41% of land take and B2/B8 accounts for 42%

- 4.49 An overview of the largest deals in the Carlisle District (greater than 1,300 sq m/14,000 sq ft) over the last five years can be seen in the table below. In many cases these transactions account for the vast majority of the total employment floorspace transacted in that year. The achieved rental or sale value has been included where this information is available.

Table 4.7 Key Deals (sq m) 2005/6-2009/10

Location	Quality	Size (sq m)	Achieved Rent/Value	Date
Offices				
Botchergate - City Centre	New/Refurb	3,000	Unknown - £134.50/sq m (£12.50 psf) quoting rent	April 2007
Clifford Court - Parkhouse Business Park	New/Refurb	3,000	Unknown, various freehold deals for 190-930 sq m (2-10,000 sq ft)	Sept 2008
Industrial & Warehousing				
Kingstown Industrial Estate	Second Hand	3,700	Unknown, quoting price was £1.5m	July 2005
St Nicholas Bridge - Edge of Centre	Second Hand	1,300	Unknown - confidential terms	April 2006
Durranhill Industrial Estate	Second Hand	1,300	£21.50/sq m (£2 psf)	Sept 2007
Kingmoor Park	New/Refurb	3,600	Unknown - confidential terms	May 2008
Kingmoor Park	New/Refurb	3,100	Unknown - confidential terms	May 2009

Source: Focus and Walton Goodland

- 4.50 The key location for offices has traditionally been in the town centre, with the majority of reported deals in the core office areas of the centre. This includes areas such as Lowther Street, Victoria Place and English Street. The last two years has however seen a slight shift in focus, with a number of transactions appearing out of town in locations such as Kingmoor Park. The Clifford Court scheme at Parkhouse Business Park has seen a number of freehold and leasehold deals transacted in late 2007 and mid 2008. The deals done at Clifford Court were all on confidential terms, however, we are aware that six units at this development remain available, quoting rents are £129/sq m (£12 psf). Similar values are evident in the Penrith market, with recent deals on new space at Hobson Court located in Penrith 40 Business Park at £107-129/sq m (£10-12 psf).
- 4.51 In the City Centre, relatively little published information is available on office transactions and due to the secondary nature of office stock within Carlisle, rents vary significantly. Typically, quoting rental values are in the range of £75-97/sq m (£7-9 psf). Recent deals have included:
- 3-5 Victoria Place 523 sq m (5,630 sq ft), quoted £50,000 p.a. £95.60/sq m (£8.90 psf)
 - 14 Lowther Street 169 sq m (1,820 sq ft), quoted £10,000 p.a. £59.20/sq m (£5.50 psf)
 - 33 Bank Street 90 sq m (970 sq ft), quoted £7,000 p.a. £77.70/sq m (£7.20 psf)
- 4.52 Given the limited transactional information, it is difficult to identify the likely rental levels of new-build office accommodation in the City Centre. That said, discussions with local agents suggest that well located accommodation of good specification could achieve rental levels of circa £107-129/sq m (£10-12 psf). This is below the level required to enable viable commercial development and as such, the development of new speculative office development in the City Centre has been somewhat stymied.

- 4.53 In order to successfully develop new office accommodation within the City Centre and encourage rental growth, there must be a focus on providing a wide ranging offer incorporating flexibility in terms of unit sizes and specifications, so as to reduce overall risk. It may also be necessary to consider a public sector led grant funding regime to support private sector office development in the City Centre, however it is acknowledged that public sector funding is likely to be in short supply moving forward.
- 4.54 There is more diversity in key locations with industrial space when compared to the office market. The key industrial location in Carlisle itself is Kingmoor Park and Kingstown Industrial Estate, with almost 40 of the deals over the last five years located on these two parks. Townfoot Industrial Estate in Brampton has seen a high proportion of the deals transacted, although given that it is in one of the key service centres, and a key rural location in the District, Townfoot does play a key role for local business in the area. There were also several deals apiece at Borders Business Park, Durranhill and Longtown. Prime industrial rents are in the region of £44/sq m (£4 psf), although several deals have been done at around £65/sq m (£6 psf), although these tend to be for smaller modern units.

Enquiry Analysis

- 4.55 Invest in Cumbria maintains records of all inward investment enquiries for employment space they receive across Cumbria (but not local inquiries). Unfortunately however, they do not include the districts of Allerdale or Barrow who utilise their own enquiry systems. Therefore, the table below sets out all those enquiries received by broad size band from August 2007 to February 2010 for the Carlisle District and the total enquiries received by Invest in Cumbria for South Lakeland, Eden, Carlisle and Copeland.

Table 4.8 Carlisle Enquiries by Type and Size Band (2007-2010)

Use Type	Size Band - Sq m (Sq ft)	Carlisle No. of Enquiries	Cumbria (4 Authorities) No. of Enquiries
Industrial/Warehouse	Under 230 (2,500)	4	11
	230 - 465 (2,500-5,000)	2	4
	465 - 930 (5-10,000)	3	11
	930 - 1,860 (10-20,000)	1	6
	1,860 - 4,645 (20-50,000)	3	8
	Over 4,645 (50,000)	6	13
Offices	Under 230 (2,500)	7	28
	230 - 465 (2,500-5,000)	2	10
	465 - 930 (5-10,000)	2	4
	Over 930 (10,000)	2	3

Source: Invest in Cumbria

- 4.56 Whilst initially, the inward investment enquiries appear quite low, when compared to those received for the area as a whole over that period, it can be seen that 36% of all enquiries for industrial space across the four authorities were directed towards Carlisle. The largest proportion of enquiries were for over 4,645 sq m (50,000 sq ft). In terms of office space, 29% of all enquiries were directed towards Carlisle. The majority of enquiries were for small units of less than 230 sq m (2,500 sq ft).

- 4.57 Invest in Cumbria have confirmed one recent successful inward investment project, involving a health sector business, based in the North East. Initially the enquiry was for a small city centre office for two staff. Within 18 months the company has since grown to over 150 employees, requiring larger office accommodation. IIC have also identified some gaps in property provision in Carlisle relating to the lack of suitable space for the Food & Drink and Digital & Creative sectors.
- 4.58 In order to take account of local enquiries, we have also considered details taken from the City Council's own enquiries database which dates back to January 2008. Whilst only available for the past two years, these figures include both inward investment enquiries and those received from businesses already present within Carlisle. The detail of these enquiries is set out in the Table 4.9.

Table 4.9 Carlisle Enquiries by Type and Size Band (2008-2009)

Use Type	Size Band - sq m (sq ft)	Enquiries 2008	Enquiries 2009
Industrial/Warehouse	Under 230 (2,500)	106	141
	230 - 465 (2,500-5,000)	41	11
	465 - 930 (5-10,000)	28	7
	930 - 1,860 (10-20,000)	10	8
	1,860 - 4,645 (20-50,000)	6	2
	Over 4,645 (50,000)	158	13
Offices	Under 230 (2,500)	83	100
	230 - 465 (2,500-5,000)	16	7
	465 - 930 (5-10,000)	20	2
	Over 930 (10,000)	112	13

Source: Carlisle City Council

- 4.59 Before drawing any conclusions from this data it is important to note that there are some limitations to the data. Enquiries registered through the City Council's web-site do not have to specify size band; in the table above unspecified enquiries will be included within the largest size band. Therefore the apparent significant demand for larger units, particularly in 2008, is not a true reflection of demand. However, there are some key messages which can be drawn from the table.
- 4.60 Firstly, when compared with Table 4.8, we can see the much more significant scale of local enquiries compared to inward investment enquiries in the City.
- 4.61 Furthermore enquiries appear to have been dramatically reduced as a result of the ongoing recession - evidenced by a decrease of over 90% in both the office and industrial case (although it is acknowledged that this is only a two year trend). However, drilling down into the data, there has been an increase in enquiries for the smallest size units in both sectors. This may be a reflection of firms seeking to rationalise their accommodation, downsize into smaller premises or entrepreneurial activity as a result of job losses elsewhere.
- 4.62 In addition to the table above, Carlisle keep records analysing the geographical distribution for those enquiries. This information has to be read carefully as many enquiries do not appear to be location specific and as such, are logged for multiple locations across Carlisle. Table 4.10 sets out the geographical analysis of the enquiries for 2008 and 2009.

Table 4.10 Carlisle Enquiries by Geographic Distribution (2008-2009)

Use Type	Size Band (sq m)	City Centre		Carlisle South East		Carlisle North		Carlisle South		Carlisle West		Rural	
		2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Industrial/ Warehouse	Under 230	72	105	73	91	68	92	70	96	70	94	66	89
	230 - 465	31	9	30	9	31	9	30	9	29	8	27	8
	465 - 930	13	3	14	3	13	4	14	5	12	5	12	4
	930 - 1,860	6	4	7	5	8	4	7	5	7	4	5	2
	1,860 - 4,645	2	1	3	2	2	2	3	2	2	1	2	1
	Over 4,645	116	9	110	8	99	8	110	8	106	8	99	8
Offices	Under 230	51	75	45	60	36	65	43	59	40	54	39	59
	230 - 465	9	4	8	3	8	3	8	3	7	3	6	2
	465 - 930	7	0	8	0	7	0	8	0	6	0	8	0
	Over 930	82	8	66	5	62	6	67	5	66	5	65	4

Source: Carlisle City Council

- 4.63 What this table appears to show is that there is very little geographical bias in enquiries. No one area of the City appears to be more attractive to the market. Given that the majority of recent new development is in Carlisle North, this is somewhat surprising, but most likely reflects the fact that most enquiries are not location specific.

5.0 Projecting Future Demand: Employment Forecasts

Key Messages

- The baseline (policy off) scenario forecasts a rise in total FTE employment of 1,200 in Carlisle between 2009 and 2026 (50,100, rising to 51,300) - representing growth of 2.4%. The aspirational scenario forecasts a total increase of 4,300 FTE jobs in Carlisle over the same period (50,100, rising to 54,400) - representing higher growth of 8.6%
- Looking specifically at office, industrial and warehousing employment, the baseline scenario forecasts a decline of 200 FTE jobs between 2009 and 2026 in Carlisle. Splitting out the three sectors, warehousing employment is forecast to increase by 600 FTE roles, office jobs remain steady and industrial roles decline by 800 FTE jobs
- In terms of office, industrial and warehousing employment, the aspirational scenario forecasts an increase of 1,500 FTE jobs between 2009 and 2026 in Carlisle. Splitting out the three use types, warehousing employment is forecast to increase by 1,000 FTE roles (reflecting its role as a key growth sector), office FTE jobs rise by 900 and industrial roles are forecast to decline by 400 FTE jobs
- The two scenarios forecast that total office floor space in Carlisle will increase by 600-19,900 sq m (56 - 1,850 sq ft) over the period 2009-2026. This translates into land requirements of between 0.1ha and 4.9ha
- Total warehousing floor space in Carlisle is forecast to increase by 29,000-49,000 sq m (312,160-527,500 sq ft) over the period 2009-2026. This translates into land requirements of between 6.9ha and 11.7ha
- Total industrial floor space in Carlisle is forecast to decline by 14,900-26,500 sq m (160,390-285,250 sq ft) over the period 2009-2026. This translates into a net decline in land requirements of between 3.6ha and 6.3ha
- Therefore in summary, total office, industrial and warehousing floor space in Carlisle is forecast to increase by 3,100-54,000 sq m (33,370-58,130 sq ft) over the period 2009-2026. This translates into overall land requirements of between 0.7ha and 13.0ha in Carlisle

Introduction

5.1 DTZ commissioned Experian Business Strategies to develop tailored scenarios for Carlisle up to and including 2026. Each scenario is based on Experian's forecast data released in February 2010 and shows Full Time Equivalent (FTE) job estimates. Two scenarios have been used to assess future trends in Carlisle:

- **Baseline Scenario:** This scenario factors in the potential impacts of the current recession to forecast how Carlisle may be affected in terms of employment change by sector up to and including 2026. It can be considered as a 'policy-off' scenario
- **Aspirational Scenario:** Building on previous forecasting work in the Cumbria sub-region, this scenario factors in growth in a number of key sectors in the long term. The underpinning assumption is that over the two periods 2010-2015 and 2016-2026, Carlisle matches growth of either the North West or the UK, whichever is faster. Over the next five years it is the North West and the UK in the following decade. The scenario also takes into account feedback received from Cumbria Vision, the University of Cumbria and Invest in Cumbria in terms of where the growth opportunities may be for Carlisle in the future. In particular, the following assumptions have been incorporated within the aspirational scenario:

- Job creation in priority sectors - renewables, contact centres, specialist manufacturing, outdoor sports and recreation, tourism, food and drink, distribution and digital, cultural and creative industries. The food & drink sector already has a number of major businesses in Carlisle and the opportunity may exist to grow the sector in the future
- Job creation in the nuclear sector, which could create opportunities for the wider nuclear supply chain in Carlisle
- Government spending cuts are distinctly possible within the timeframe. The greatest source of employment growth in the public sector will be in the provision of health and adult social care due to the increasingly aged population

5.2 The aspirational scenario is arguably not as ambitious as that implied by the Growth Point Programme, but it is impossible to directly compare the two as one is based on population growth and the other on employment growth. However, we have sense checked the aspirational scenario against ONS population projections for Carlisle and consider there is some broad synergy and that forecasts and population projections look sensible side by side. It is worth bearing in mind that the Growth Point target was most likely based on less pessimistic pre recession forecasts.

5.3 For each of the scenarios, employment change is analysed by using proxy indicators for the following use classes:

- Offices
- Industrial
- Warehousing

5.4 A full breakdown of the sectors used to define offices, warehousing and industrial space is provided in **Appendix E**, in addition to providing the employment forecasts for all other sectors in Carlisle.

Baseline Scenario

5.5 Table 5.1 shows future employment estimates for jobs in office, industrial and warehousing within Carlisle for the baseline scenario between 2009 and 2026.

Table 5.1 Forecast Employment Change (FTE) in Carlisle, 2009-2026 - Baseline Scenario¹²

Sector	2009	2011	2016	2021	2026	Change, 2009-2026	
						No.	%
Offices	7,100	6,700	7,000	7,100	7,100	0	0.0%
Industrial	6,300	6,100	6,100	5,800	5,500	-800	-12.7%
Warehousing	8,600	8,300	8,600	9,000	9,200	600	7.0%
Office, Industrial & Warehousing Total	22,000	21,100	21,700	21,900	21,800	-200	-0.9%
Total Employment in Carlisle	50,100	49,700	50,900	51,300	51,300	1,200	2.4%

Source: DTZ & Experian Business Strategies Limited

¹² Figures have been rounded to the nearest hundred

- 5.6 Total FTE employment in the baseline scenario is forecast to increase by 2.4% between 2009 and 2026, representing 1,200 additional jobs. Taking into account past trends in the area (growth of more than 15.0%, or circa 7,000 new jobs between 2000 and 2008) this is modest growth and reflects the economic downturn and its subsequent impacts. The main sectors in terms of FTE job increases over the period are forecast to be: health (1,900); warehousing (600); hotels & catering (500); and retailing (400).
- 5.7 A loss of 700 FTE jobs is forecast in public administration/education roles¹³ - reflecting the continuing impacts of the recession and uncertainty around what will happen after the next General Election.
- 5.8 Approximately 200 FTE jobs are forecast to be lost in Carlisle in office, industrial and warehousing occupations from 2009-2026, representing a small decline of approximately 0.9%. Employment within these three sectors is forecast to decline to 21,100 by 2011, before reaching 21,800 by 2026. However, there are significant differences between the three use types. As already noted, warehousing employment is forecast to rise by 600 FTE jobs between 2009 and 2026, equating to growth of around 7.0%.
- 5.9 In contrast, industrial employment is forecast to decline by 12.7% up to 2026, representing 800 fewer FTE jobs. It is important to note that the overall fall in industrial jobs is in line with trends across the UK, which have continued to see a long-term decline in the manufacturing sector.
- 5.10 Office jobs are forecast to remain steady over the period 2009-2026. Employment in sub-sectors such as real estate activities is estimated to increase by around 850 FTE roles, however this is offset by the forecast declines in other sub-sectors such as business services and banking & insurance.

Aspirational Scenario

- 5.11 Table 5.2 shows future employment estimates for office, industrial and warehousing jobs within Carlisle for the aspirational scenario between 2009 and 2026.

Table 5.2 Forecast Employment Change (FTE) in Carlisle, 2008-2026 - Aspirational Scenario¹⁴

Sector	2009	2011	2016	2021	2026	Change, 2009-2026	
						No.	%
Offices	7,100	7,100	7,600	7,900	8,000	900	12.7%
Industrial	6,300	6,100	6,100	6,000	5,900	-400	-6.3%
Warehousing	8,600	8,300	8,700	9,200	9,600	1,000	11.6%
Office, Industrial & Warehousing Total	22,000	21,500	22,400	23,100	23,500	1,500	6.8%
Total Employment in Carlisle	50,100	50,200	52,000	53,300	54,400	4,300	8.6%

Source: DTZ & Experian Business Strategies Limited

- 5.12 Under the aspirational scenario, total FTE employment in Carlisle is forecast to increase by 8.6% between 2009 and 2026, representing 4,300 additional FTE jobs. This would see stronger growth than the baseline scenario and while it would represent a more ambitious target, it is still lower than the growth witnessed between 2000 and 2008 of 7,000 jobs in the area.

¹³ See Appendix E

¹⁴ Figures have been rounded to the nearest hundred

- 5.13 The main sectors in terms of FTE job increases over this period are forecast to be: health (2,200); financial/business services (1,100); warehousing (1,000); retailing (600); and hotels and catering (600).
- 5.14 A loss of 500 FTE jobs is forecast in public administration/education roles - a lower level of decline when compared with the baseline scenario, but still continuing to reflect the impacts of the recession and potential changes within the public sector after the General Election.
- 5.15 Significantly, 1,500 FTE jobs are forecast to be gained in Carlisle in office, industrial and warehousing occupations from 2009-2026, representing growth of approximately 6.8%. Employment within these three sectors is forecast to decline to 21,500 by 2011, however a recovery is evident thereafter and FTE jobs continue to rise steadily up to 2026, reaching 23,500.
- 5.16 In line with the baseline scenario, there are differences in the forecasts for the three use types. For example, warehousing employment is forecast to rise by 11.6% between 2009 and 2026, equating to growth of around 1,000 FTE jobs. This stronger growth reflects the assumption outlined earlier that distribution will continue to be a key growth sector for Carlisle.
- 5.17 Office employment is forecast to rise by 12.7% between 2009 and 2026, representing 900 new FTE jobs. Growth areas include financial and business services (1,100), although declines in banking & insurance of just over 100 FTE jobs offset this slightly. Priority sectors such as contact centres and the digital, cultural & creative industries will also be included within office employment and if they do experience growth in the long term, this will have subsequent impacts in terms of floor space and land requirements.
- 5.18 In contrast to offices and warehousing, industrial employment is forecast to decline up to 2026. While the decline of 6.8% is lower than the baseline scenario, it represents 400 fewer FTE jobs. Despite this downward forecast, opportunities may still exist in priority sectors such as food & drink - although as noted in the SWOT analysis for the Carlisle Economic Strategy¹⁵, Gross Value Added¹⁶ is more likely to increase than actual employment.

Future Floorspace and Employment Land Requirements

- 5.19 Forecasts of net change in employment land requirements are produced by converting anticipated employment change into floor space requirements by using estimates of the average amount of floor space occupied per employee and the amount of floor space per hectare of land.
- 5.20 In order to translate employment change into demand for employment floor space the change in employment has been translated into a change in the demand for gross internal employment floor space using the English Partnerships employment density assumptions as set out in the paper "Employment Densities: A Full Guide" (2001). This provides an estimate of the gross internal area required per employee by type of development. These densities have been used to help inform the analysis and are as follows:

¹⁵ SQW (December 2006) - Carlisle Renaissance: Economic Strategy SWOT Analysis.

¹⁶ Gross value added is the difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs used up in production.

- Industrial (General Industrial Buildings): gross internal floor space 34 sq m (366 sq ft) per employee
- Warehousing (General warehousing): gross internal floor space of 50 sq m (538 sq ft) per employee
- Offices (General Offices): gross internal floor space of 20 sq m (215 sq ft) per employee

5.21 The estimated change in floor space requirements is translated into employment land requirements using a plot to floor space ratio of 42% for industrial and warehousing and a plot to floor space ratio of 41% for office uses. These are average plot ratios and they can vary significantly, with some office developments achieving a plot ratio of well over 100% in many city centres around the UK.

Baseline Scenario

5.22 Table 5.1 shows future floor space estimates for office, industrial and warehousing jobs within Carlisle for the baseline scenario between 2009 and 2026. Table 5.2 then translates these estimates in employment land requirements.

Table 5.1 Estimate of Floor Space Requirements in Carlisle, 2009-2026 - Baseline Scenario (sq m)

Sector	2009	2011	2016	2021	2026	Change, 2009-2026	
						No.	%
Offices	141,000	133,200	139,200	141,800	141,600	600	0.4%
Industrial	215,200	207,400	205,700	197,900	188,700	-26,500	-12.3%
Warehousing	429,500	415,500	427,500	449,500	458,500	29,000	6.8%
Office, Industrial & Warehousing Total	785,700	756,100	772,400	789,200	788,800	3,100	0.4%

Source: DTZ

Table 5.2 Estimate of Change in Employment Land in Carlisle, 2009-2026 - Baseline Scenario (hectares)

Sector	2009	2011	2016	2021	2026	Change, 2009-2026
Offices	34.4	32.5	34.0	34.6	34.5	0.1
Industrial	51.2	49.4	49.0	47.1	44.9	-6.3
Warehousing	102.3	98.9	101.8	107.0	109.2	6.9
Office, Industrial & Warehousing Total	187.9	180.8	184.7	188.7	188.6	0.7

Source: DTZ

5.23 In summary, Tables 5.1 and 5.2 show that:

- The total office, industrial and warehousing floor space requirement in Carlisle is forecast to increase by 3,100 sq m (33,370 sq ft) or 0.4% between 2009 and 2026 in the baseline scenario. This translates into 0.7 hectares of employment land. However, there are clear differences in the changes over time between each of the floor space types
- As industrial employment is expected to fall between 2009 and 2026 in Carlisle, so too does the level of floor space required - with a decline of around 26,500 sq m (285,250 sq ft). This translates into a net decline in employment land of 6.3 hectares up to 2026
- The level of warehousing floor space in Carlisle under the baseline scenario is expected to rise by 29,000 sq m (312,160 sq ft), which translates into 6.9 hectares in terms of land requirements. Office floor space is expected to grow very modestly, with land requirements of only 0.1 hectares

Aspirational Scenario

- 5.24 Table 5.3 shows future floor space estimates for office, industrial and warehousing jobs within Carlisle for the aspirational scenario between 2009 and 2026. Table 5.4 then translates these estimates in employment land requirements.

Table 5.3 Estimate of Floor Space Requirements in Carlisle, 2009-2026 - Aspirational Scenario (sq m)

Sector	2009	2011	2016	2021	2026	Change, 2009-2026	
						No.	%
Offices	141,000	142,400	151,300	157,200	160,900	19,900	14.1%
Industrial	215,200	206,400	207,200	203,800	200,300	-14,900	-6.9%
Warehousing	429,500	417,400	433,700	461,200	478,500	49,000	11.4%
Office, Industrial & Warehousing Total	785,700	766,200	792,200	822,200	839,700	54,000	6.9%

Source: DTZ

Table 5.4 Estimate of Change in Employment Land in Carlisle, 2009-2026 - Aspirational Scenario (hectares)

Sector	2009	2011	2016	2021	2026	Change, 2009-2026
Offices	34.4	34.7	36.9	38.3	39.3	4.9
Industrial	51.2	49.1	49.3	48.5	47.7	-3.6
Warehousing	102.3	99.4	103.3	109.8	113.9	11.7
Office, Industrial & Warehousing Total	187.9	183.2	189.5	196.7	200.9	13.0

Source: DTZ

- 5.25 In summary, Tables 5.3 and 5.4 show that:

- The total office, industrial and warehousing floor space requirement in Carlisle is forecast to increase by 54,000 sq m (581,270 sq ft or 6.9%) between 2009 and 2026 in the aspirational scenario. This translates into 13 hectares of employment land
- The level of warehousing floor space in Carlisle under the aspirational scenario is expected to rise by 49,000 sq m (527,500 sq ft), which translates into 11.7 hectares in terms of land requirements between 2009 and 2026. Office floor space is also expected to grow over the same period - by 19,900 sq m (214,209 sq ft), or 4.9 hectares
- With the continuing decline of industrial employment, subsequent floor space requirements fall by 14,900 sq m (160,390 sq ft). This translates into a net decline of 3.6 hectares in terms of land requirements

- 5.26 Despite the expected fall in industrial employment, floor space and land, it is still important that a good supply of quality industrial space is provided in Carlisle. The industrial sector is a key generator of productivity in the wider economy due to its continual introduction of new products and processes. For Carlisle to retain its manufacturing sector and attract the higher value added businesses to replace those that do relocate, it needs to provide the appropriate conditions for companies within the sector.

6.0 Stakeholder Issues and Opportunities Analysis

Key Messages

- The M6 is a strategic asset for the City which must be fully exploited
- In Cumbrian terms Carlisle has a significant supply of employment land and provides a key focus for employment development in Cumbria
- Employment land is focused in the north of the District which restricts access to employees in the more deprived southern parts of Carlisle. Congestion exacerbates this issue
- Poor access, congestion and a severe lack of affordable long stay parking are considered to be the crucial factors undermining a vibrant office market in Carlisle City Centre. The quality of City Centre stock is also generally poor. New out of town development has further undermined the City Centre market
- Industrial and warehousing demand is focused on Kingmoor. But there is a perceived lack of choice of sites and the lack of available freehold opportunities is identified as a significant constraint
- Not all commentators felt it was appropriate to open up new sites along the M6 Corridor as this would flood a constrained market. A stronger view was expressed in favour of 'making the most of what we have' and focusing investment on existing sites near to the motorway
- Many views were expressed that the dominance of ownership of the Council and Kingmoor Park Properties in the City is perceived as 'anti-competitive' and restricts choice
- The City's ICT capacity was identified as potential constraint. Moving forward it is critical Carlisle keeps pace with other locations
- Key opportunities identified for the future were:
 - Cumbria University and prospects for up-skilling the workforce and increasing graduate retention
 - Maximising the potential of key clusters such as food and drink and energy, but recognising demand will not be strong enough to drive clustering
 - Growth Point status which will drive economic growth and delivery of new homes
 - The expansion of Carlisle Airport which will address perceptions of accessibility and provide a new logistics hub for the City
 - CNDR which will improve accessibility between the north and south and potentially open up new employment opportunities
- A need for strong public sector leadership was identified to drive growth sector aspirations and ensure delivery of key sites
- The following future premises requirements were identified by the business survey. New office space and up to 1,858 sq m (20,000 sq ft) on long leasehold or opportunity to purchase freehold. Mixed locational requirements with businesses identifying preference for City Centre, edge of centre and motorway access

- 6.1 A number of consultations were carried out with individuals from the public and private sector as part of this study including¹⁷:
- Public sector stakeholders including various officers from Carlisle City Council, Carlisle Renaissance, Cumbria Vision and NWDA
 - Commercial agents
 - The LEAG Committee and subsequent follow up meetings with major employers
- 6.2 This section focuses on the broad issues identified by stakeholders as relevant to the study. Site specific commentary has been provided in previous sections of the report.

Key Attributes of Carlisle

- 6.3 Carlisle is strategically positioned on the border of England and Scotland, and is well connected by the presence of the M6 corridor and the West Coast Mainline. The three motorway junctions form gateways to the City and provide an asset to maximise for the purposes of employment land. Key employers consulted with as part of the study expressed the view that the M6 is one of Carlisle's biggest assets and that it has long been recognised that it is an asset which is not being fully exploited. In particular, views were expressed that employment land is plentiful in the corridor, but considered to be a "fragmented" and "piecemeal" offer which does not meet investor needs.

Adequacy of Existing Supply

- 6.4 Carlisle is fortunate in that it holds a considerable proportion of the county's stock of employment land within its district. Cumbria County Council identified that Carlisle held approximately 50% of Cumbria's available supply in the last five years, with the majority being located at Kingmoor. This has provided Carlisle with a clear advantage in terms of its capability in meeting the needs of those investors looking at the Cumbria offer.

Geographical Distribution of Employment Land

- 6.5 A common theme in consultations is the perception of a 'north/south' divide in employment land provision in the City. A mix of views were expressed about the adequacy of existing employment sites, but a general message seems to be that whilst supply overall in Carlisle is considered sufficient, the fact that available, quality supply is predominantly focused in one location (north of the City at Kingmoor/Kingstown) has led to a perceived under-supply elsewhere in the District. Furthermore there are concerns about how accessible job opportunities in the north of the City are to those living in the most deprived parts of Carlisle in the south. The distance between the two is around 3 miles, and although there is a direct bus route, congestion results in the journey taking a disproportionately long time.
- 6.6 Given the importance of Kingmoor Park in Carlisle in terms of scale and strategic importance, it is appropriate to expand upon stakeholder perceptions of this site within this section of the report. Kingmoor Park has proved particularly attractive to distribution activity because of its proximity to the motorway. However, take up has been slower than anticipated and what was initially considered to be a 10-15 year project is now thought to be a 20-40 year project because of low levels of demand.

¹⁷ A full list of consultees is attached at Appendix D

- 6.7 The latest Masterplan for the site dates to 2009 and includes a strategic framework for the development of the Brunthill Estate and 'The Hub' which has outline planning consent to provide a local service centre serving the estate and its 1,500 employees and 110 firms. This will improve the quality and market attractiveness of the estate. Some commentators reflected that the way in which Kingmoor Park has developed to date has been 'ad hoc' and has not been brought forward in accordance with the masterplan. The implication is that stronger controls may be required.
- 6.8 The provision of employment land in rural areas of the City was also cited as an issue. Longtown, in particular, was identified as a regeneration priority for City Council and the NWDA but the lack of take-up of employment land in this location has been attributed to a restrictive lettings policy which targets uses for which there is considered to be limited demand. It was suggested that a review of demand in this location needs to inform whether this policy is still relevant, or whether an additional allocation for local use is required.

Offices

- 6.9 A mixed picture of the supply of office accommodation was presented through the consultations. The City Centre is characterised by old stock, particularly converted Victorian mansions such as those at Portland Square. This usually carries with it a high maintenance commitment because of its age which deters investment.
- 6.10 A lot of stock in the City Centre can also be found over retail. This tends to be of poor quality but there is a lot of supply of this kind.
- 6.11 Consultation with local agents revealed that interest in the city centre market is constrained by quality. The only modern offices in the City Centre can be found in Botchergate, and even these would no longer be classed as 'new build'. Poor access, congestion and a severe lack of affordable long stay parking are considered to be the crucial factors undermining a vibrant office market in Carlisle City Centre. Increasing regulation such as Disability Discrimination Act (DDA) compliance, and increasing maintenance requirements on older office space are adding to the issues.
- 6.12 New development at Parkhouse Business Park, completed in 2008, is considered to have flooded the market. This is the City's most recent development, and has resulted in a significant pull of occupiers out of the City Centre. The main draw to Parkhouse is quality of stock, and more importantly availability of car parking. Despite these benefits significant vacancies remain at Parkhouse and this is seen as underlining the relatively limited scale of the office market within Carlisle.
- 6.13 However, it was also identified that whilst there was limited demand for office space in general in Carlisle, there continues to be a strong demand for freehold premises. Demand tends to be locally generated, with the exception of bigger inquiries from the public sector.
- 6.14 It was considered that there are some opportunities to improve the office offer within the City Centre, but these are limited in scale and difficult to deliver due to low values. Other interventions must accompany any new development including development of a movement and parking strategy for the City Centre.

Industrial

- 6.15 Key drivers of industrial interest include freehold opportunities; yard space and secure compounds; access to motorway and major roads. A general lack of space on Carlisle's major roads is considered to be a limitation.
- 6.16 Industrial supply in Carlisle is predominantly found within Kingmoor.

Warehousing/Distribution

- 6.17 One commentator suggested there exists an overall lack of sites for warehousing and distribution activity, although it was recognised that the Carlisle Airport proposals will assist in this regard. Currently, Kingmoor Park tends to be the location of choice for this sector because of the proximity to the M6 and the availability of sites.

Future Demand and Supply Interactions

- 6.18 Whilst all consultees were in agreement about the important role the M6 corridor has to play in providing future sources of employment land, not all commentators agreed that it is appropriate to provide employment land at each of the three motorway junctions (as suggested by some), as it was felt that the market cannot necessarily accommodate this supply as it "does not have the strength nor depth" to support additional supply on a large scale.
- 6.19 In particular, some concern was expressed on the release of new sites to the market, with a need to be conscious that when limited demand is present (as in Carlisle) flooding the market with supply can undermine it.
- 6.20 A number of those consulted highlighted the perceived 'glut' of existing supply in the north of Carlisle, e.g. at Parkhouse, and the likelihood of this trend continuing as further supply comes forward through Kingmoor Park expansion schemes such as Brunthill, and at Carlisle Airport.

Constraints to Investment

Range and Choice

- 6.21 The lack of availability of freehold sites was cited by many as a key constraint to investment. This was considered by Cumbria County Council to be a general issue across Cumbria. It is considered that latent demand for these sites are present within Carlisle from businesses wishing to relocate, a point reinforced by the findings of the Business Survey (see Appendix H). Some commentators also said they understood that businesses based outside Carlisle and wishing to invest in the district were choosing to locate elsewhere due to the lack of freehold opportunities.
- 6.22 In particular a number of commentators felt the fact that the City Council and Kingmoor Park Properties Ltd own the majority of employment sites in the city is "anti-competitive" and restricts choice. Clearly the Council's commercial property portfolio forms a very important income stream for the Council and this must be acknowledged. However there are a number of areas where potential for review has been identified during consultations. These include: review of outdated and overly restrictive leases, special consideration given to major employers, need for reinvestment in Council estates etc. The Council have taken these concerns on board and are currently conducting an 'Asset Review' process which is looking at council assets and their management.

- 6.23 A further constraint to investment in Carlisle is regarded by many consulted as the fact that the City's employment land supply is predominantly limited to one location (Kingmoor Park). This limits competition and choice, which some commentators felt has led to overly inflated quoting rents and restrictive terms. It is apparent that there is plentiful supply in Kingmoor Park, with references made by the owners as a long term project that will potentially take another 25 years to fully develop based on historic take up rates. Other commentators reflected that the reason Kingmoor Park has been successful in their view is because of the limitations in supply elsewhere, which could be considered "anti-competitive" and represents the creation of "two dominant landowners rather than one" according to a major employer in the City.
- 6.24 A major employer consulted as part of this study felt that there is a need for "at least three" main employment sites/investment opportunities to meet the range of investor needs within Carlisle.
- 6.25 Providing a new employment site in the south of the district (i.e. at J42) could counter-balance this perceived north-south divide and provide a gateway to the south of the City, but it is clear from discussions with stakeholders that this cannot be viewed so simplistically. Other considerations include:
- Ability of the market to absorb large scale new supply
 - Impact on existing allocated sites and those sites in need of regeneration and investment
 - Development constraints (including flooding, topography and infrastructure) which exist at J42
 - Funding availability
 - Effectiveness of transport links between areas of need and opportunity
- 6.26 Some commentators did not feel that a major new release of employment land to the south was necessary, but all were in agreement that the south of Carlisle does need intervention in terms of its existing employment sites and to provide the market with an alternative offer to Kingmoor and provide an opportunity to be located closer to the City Centre.

Adequacy of Infrastructure

Road

- 6.27 Key transport links in and out of Carlisle include:
- The M6 to the north and south
 - The A69 to the North East
 - The A66 to West Cumbria
- 6.28 The three gateways to Carlisle from the M6 also form gateways to different regions. For example Junction 42 is a gateway to Penrith and the South; Junction 43 is the gateway to the City Centre and North East; Junction 44 provides a gateway to the Borders and Scotland. Each therefore presents an opportunity in term of the market it seeks to tap into. However, the geographical distance

between each junction is relatively small¹⁸ and given the market size in Carlisle it is not necessarily an appropriate strategy to develop employment sites at each of these gateways.

- 6.29 The adequacy of road infrastructure was a frequently cited issue. Issues such as the lack of a clear movement strategy within the City Centre were raised, contributing to issues of congestion, and a perceived lack of affordable, long stay car parking. One major employer felt that transport infrastructure in the City in general is “piecemeal and lacks a holistic strategy”. Public transport connections into the City Centre were considered generally acceptable. However, it is generally accepted that there is a greater reliance on cars in Carlisle because of its rural hinterland.

- 6.30 Consultation with Cumbria County Council provided an update in terms of current strategy work underway as part of the development of Local Transport Plan 3 (LTP3) which is due in April 2011. The LTP will reflect the Local Development Framework (and vice versa) and it is anticipated that policy changes will not be radical with an increased focus on CO2 emission reduction and health.

- 6.31 Frequent references were made to the perceived ‘North-South’ divide in Carlisle, particularly the perception that the socio-economic need for additional jobs is in the south of the City, yet the supply of employment land is concentrated in the north. Some felt the adequacy of public transport connections to sites such as Kingmoor Park is sufficient, whereas others felt that despite the provision of transport to access jobs the problem lies in an unwillingness to travel distances to work when historically jobs were provided within walking distance. Clearly circumstances have changed, and this situation poses a number of questions for the study. Firstly, are effective links (both transport and softer interventions around skills and confidence) being made to job opportunities in the north of the City? Secondly, is there a lack of supply in the south of the City that needs to be addressed to counterbalance the supply in the north? And if so, should intervention in the South be about regeneration and improvement of existing sites or new allocations? Thirdly, if new sites were to be considered would they meet transport policy aspirations in terms of accessibility and sustainability?

Servicing

- 6.32 A key constraint to business competitiveness identified by some consultees was the adequacy of ICT infrastructure in Carlisle. One employer whose HQ is based in Carlisle, but has premises elsewhere in the UK, talked of his frustration with existing infrastructure and the impact this is having on their ability to run a national business from a base in Carlisle. An ICT Infrastructure Study recently completed by Carlisle City Council found ICT infrastructure is currently adequate but advances in technology are lagging behind other areas of the region and elsewhere in the UK. This means that Carlisle must lobby to position itself competitively on this front to ensure that it does not become a deterrent to investment. In particular partners must ensure that ICT suppliers are aware of Carlisle’s future development plans, and lobby NWDA for recognition of Carlisle in their plans for ICT development in the region.

- 6.33 Energy capacity is a national issue however, Carlisle is well connected by the 400kv line which follows the M6 and which has upgrade plans in place. Furthermore, the current 140kv loops from Carlisle to Barrow-in-Furness are due to be upgraded to 400kv. In the future, therefore, energy capacity in Carlisle is not considered to be a problem and indeed Carlisle is well positioned to maximise these investments once they are in place.

¹⁸ Distances as measured by GIS are 2.7 miles between J42 and J43, and 3.8 miles between J43 and J44

- 6.34 Rising energy costs were highlighted by key employers as a future consideration (although these will be relevant nationally). Furthermore, the increasing trend towards policy that encourages sustainability in building, including carbon neutral developments, is also a factor that needs to be taken into account when looking at the capability of current and future employment sites to accommodate these measures.

Reinvestment in Existing Sites

- 6.35 A number of consultees reflected upon the poor condition of existing Council owned employment sites; in particular there is a perception that there is limited reinvestment into services and infrastructure from profits yielded from ground rents. This has the impact of deterring interest in leases being sold on because sites are not considered attractive to market and the un-modernised nature of leases provides uncertainty for purchasers and occupiers, difficulty in securing finance, and in some cases actually restricts occupiers.
- 6.36 Strong views were expressed that there is a need to ensure better planning and management of key sites, particularly to ensure reinvestment occurs and leases are re-gearred.

Market Catchment

- 6.37 The market catchment for employment land was considered by many to be a predominantly local catchment. There are examples of business links to Scotland and the North East but limited evidence of businesses actually seeking to move into Carlisle from outside of the Cumbrian sub-region.
- 6.38 Competitors include Kendal and Penrith (J40) in particular, which reinforces the importance of the M6 corridor as a driver of investor demand in Carlisle. Penrith J40 in particular, is arguably a better location for those companies seeking a wider reach into West Cumbria and into South Cumbria and Lancashire. It also has advantages as an attractive place to live with proximity to the Lake District National Park. Further afield, Preston and Lancaster form competitors for those companies looking for a more central North West location, or closer proximity to southern markets.

Funding

- 6.39 Carlisle has not benefitted from as much public sector funding historically relative to other areas of Cumbria because it is generally considered to have less need in relative terms, and has had more success in attracting private sector interest.
- 6.40 That said, it has been recognised more recently that there is a need for public sector intervention to create the conditions for private sector investment.

Workforce and Skills

- 6.41 Historically Carlisle's workforce has been considered a limitation to growth. Under performance in schools was a particular feature. More recently there has been significant investment in education which hopes to address this weakness.

- 6.42 The presence of a university in Cumbria now offers an opportunity to up-skill the workforce locally, therefore raising economic competitiveness by attracting higher value investment and providing opportunities to retain graduates in the City. In the short term, however, the University is focused on financial viability and consolidation and this is limiting their ability to add value to current regeneration schemes.
- 6.43 A number of key employers consulted as part of this study expressed the view that labour isn't necessarily a constraint to their business competitiveness as it is plentiful and relatively affordable within Carlisle.

Target Sector Opportunities

- 6.44 Carlisle has a number of sector strengths, particularly in the transport and distribution sector given the geographical and strategic position of Carlisle on the England/Scotland border and ease of access to the M6, and also manufacturing. The Energy Coast opportunity was flagged, but Carlisle was not generally considered to be as positioned as well as nearby locations such as Penrith who have better access to the West Coast. However, some consultees did feel that the operation of commercial passenger routes at the airport, together with the construction of CNDR, would change these perceptions, improving international links and improving travel routes between Carlisle and the West Coast.
- 6.45 Considering Carlisle's 'City' status it was perceived by some that it is under-performing on sectors such as professional and financial services which you would expect a City to have strengths in. However, despite the designation of Carlisle as a City it was highlighted that its catchment and population are relatively small, and this lack of critical mass hinders its ability to strengthen this sector.
- 6.46 This point was reinforced by consultation with local agents who confirmed that there was not sufficient demand from any one particular sector in Carlisle to seek to create 'clusters' of uses, although these have happened organically in some locations, e.g. food and drink on Durranshill, and it is anticipated that this natural clustering will continue to occur.
- 6.47 Concern was expressed, however, that the small number of major employers in Carlisle and the lack of recent large scale investment means that Carlisle is vulnerable to decisions being taken outside of the sub-region and to changing economic circumstances.

Future Triggers

- 6.48 Consultees identified five key 'triggers' to the future economic prosperity of Carlisle:
- Firstly, Carlisle is a Regional City and therefore a focus for growth. It has Growth Point status for housing and employment and this policy context frames the opportunity for economic growth
 - Secondly, the M6 corridor continues to be a key infrastructure asset for Carlisle, particularly given the increasing importance of accessibility in business investment decisions. Future investment which enhances movement within Carlisle to the motorway (such as the CNDR) will further improve upon this position. References were made to the notion of a Southern

Relief Road but we understand that this is a long term aspiration and it is questionable at this stage whether it will feature in LTP3. More realistically, inner orbital improvements would help to better connect existing development sites

- Thirdly, Carlisle Airport was identified by many as a key driver of future growth in the economy. Stobart's new warehousing and distribution facility together with office premises is in the planning pipeline. This development at the Airport has the potential to change perceptions of Carlisle as an isolated, inaccessible city and to send an important message that Carlisle is 'open to business'. The contribution that Stobart, a rising national player in the logistics industry, makes to the economy as an anchor tenant for the City cannot be understated as a company which has local interests at its heart. Nevertheless, Stobart, as a plc, will be driven by the best investment proposition for the company as illustrated by their recent investment elsewhere in the UK. Carlisle needs to ensure it continues to retain this key employer and ensure adequate infrastructure is in place to secure their investment aspirations within the City where possible
- Fourthly, key redevelopment opportunities on existing employment estates were identified as crucial to both addressing the 'north south' divide and to securing the long term future of some major employers within the city, for example Cavaghan & Gray and H&H
- Finally, the availability of land at gateway sites to the City (particularly at J42 and J44) provides an investment opportunity, although it was acknowledged that these may be much longer term aspirations

Vision and Leadership

- 6.49 A number of consultees perceived a lack of momentum from within the City Council to retain and attract investment. In particular, the political make-up (hung) and therefore perceived lack of direction of the Council was seen as a major obstacle to delivering change in Carlisle.
- 6.50 One major employer referred to the need for the City "to make itself attractive to investors and set out their stall accordingly. They need to create the opportunities to make it happen". If Carlisle does not do so, then they will not be on the radar of potential investors.
- 6.51 It was felt by some commentators that there has been a historic lack of strategic direction for the development of employment land in Carlisle as a whole. Masterplans have tended to be developed on a site by site basis and in some cases the approach to development has been seen as 'ad hoc' in terms of sites contribution to Carlisle as a whole. Clearly the LDF process will provide a degree of clarity and this study will contribute towards firming up the direction of travel as part of that process.
- 6.52 At the same time, it was questioned by a minority whether Carlisle's "aspirations of grandeur" are commercially deliverable. In particular, caution needs to be exercised when considering bringing new employment sites forward, as some commentators felt that the market within Carlisle does not have "the strength nor depth" of demand to fulfil these aspirations.

Business Survey

- 6.53 A business survey was carried out in February 2010 with 300 businesses in Carlisle via 10-minute telephone consultations undertaken by Research Resource on behalf of DTZ.
- 6.54 The sample of businesses was selected primarily on the basis of geography, but also balanced to reflect views by sector (B1, B2, B8) and by business size. In total, there are approximately 2,100 businesses in B1, B2, and B8 sectors within the City. The contact database was established from the Carlisle Business Directory and the Carlisle City Council database which provided approximately 1,000 contacts once it was 'cleaned' to ensure a representative sample.
- 6.55 Key messages emerging from the survey were as follows. A full report of the Business Survey can be found in Appendix H.

Current Premises

- The business population in Carlisle is relatively stable and committed to the area. The majority of respondents have been trading from their existing premises for over 10 years
- Most businesses occupy small to medium sized premises (less than 1,858 sq m (20,000 sq ft))
- Businesses are drawn to their premises by factors of location (M6 especially), cost and size
- Businesses demonstrate very high levels of satisfaction with current premises (90% are satisfied or very satisfied)
- Factors which result in dissatisfaction are quality of premises, lack of DDA compliance, parking, lack of freehold ownership and poor estate management

Future Needs

- The majority of businesses who expect to move want to stay in Carlisle
- Difficulties anticipated in finding premises relate to lack of choice, quality and affordability
- Priority needs in relation to premises are new office space and up to 1,858 sq m (20,000 sq ft) on long leasehold or opportunity to purchase freehold
- Locational requirements are mixed with businesses identifying preference for City Centre, edge of centre and motorway access

Business Constraints

- 6.56 The key constraints which businesses identify on business growth are:
- Lack of suitable premises in the right location - size, quality and ownership
 - Workforce capacity and skills
 - Accessibility (congestion, parking and public transport)
 - Cost of premises (industrial and warehousing)
 - ICT connectivity
 - Estate management/signage
 - Lack of business 'ethos' within public sector

7.0 Bringing Demand and Supply Together: Gap Analysis

Key Messages

It is crucial that medium to long term growth aspirations are not constrained by an employment land portfolio the scale and nature of which is determined by past trends and forecasts, which are potentially overly influenced by the current unprecedented economic situation and other factors constraining demand.

At face value Carlisle has an excess of supply over demand for employment land. The short term supply alone is equivalent to between 19 and 55 years supply. The dominance of Kingmoor Park is demonstrated by the fact that this alone accounts for 15 to 43 years supply.

However there are a number of qualitative gaps in supply which must be addressed to ensure Carlisle's employment land portfolio is fit for purpose and supportive of wider aspirations. These can be summarised as:

- **Geographical gaps** - lack of supply outside of the northern employment areas; good existing locations on the M6 Corridor which would benefit from investment
- **Quality gaps** - lack of modern city centre office space and modern industrial units; shortage of local quality employment sites; limited 'ladder' of supply
- **Product gaps** - need for: quality City Centre offices; good quality modern industrial units; serviced offices; starter and follow on industrial units; alternative logistics product (key role for the Airport)
- **Thematic gaps to support supply** - need to: address perceived parking and movement issues; improve physical access between areas of opportunity, especially the northern employment areas, and areas of need in the south; improve skills; address perceived lack of a 'business friendly' culture in the public sector; consider how to address perceived lack of freehold / long leasehold employment land and premises in Carlisle

- 7.1 The gap analysis brings together the findings of the previous sections. It analyses the gap in quantitative terms between demand and supply, looking at overall surplus/deficit of supply of key sectors of employment land. It then goes on to consider qualitative gaps, again considering key sectors of use. This qualitative analysis gets under the skin of the numbers to identify gaps related to quality, product and geography.

Demand Analysis

- 7.2 In order to understand the findings of the earlier stages of work it is important to first consider the results of the two approaches to demand analysis (past take-up and forecasts) side by side.

Past Take Up (ha pa)			Forecasts (ha pa)	
Employment Land take up (5 year ave)	Employment Land take up (2 year ave)	Deals (5 year ave)	Baseline	Aspirational
9.8	1.75	2.3	0.04	0.8
Past Take Up - Requirement 2009-2026 (ha)			Forecasts - Requirement 2009-2026 (ha)	
Employment Land take up (5 year ave)	Employment Land take up (2 year ave)	Deals (5 year ave)	Baseline	Aspirational
166.6	29.8	39.1	0.7	13.0

7.3 There is a significant difference between the maximum annual requirement identified by the five year average of past take up, 9.8 hectares, and the minimum identified by the baseline forecasts, 0.04 hectares. So why is there such a difference between past take up projections and employment forecasts? There are a number of factors which explain this:

- Forecasts are from a very low base - reflecting Carlisle's small economic base, the forecasts are from a very low base. For this reason even significant growth in key sectors factored in under the aspirational scenario does not result in a marked increase in requirements
- Forecasts factor in recession - DTZ's experience of a number of forecasting houses is that they are being particularly cautious about prospects for economic recovery. Experian are known as one of the most accurate forecasting houses and their forecasts have become more positive in the past six months or so but still remain significantly dampened by recession. This combined with the small size of the Carlisle economy means that even the aspirational forecast does not demonstrate significant growth prospects
- Position in the cycle - take-up over the past five years reflects an 'up' cycle in the Carlisle property market and the flood of supply which was delivered at this time. Notably the peak in deals is a couple of years later (when other locations were in the grip of recession) reflecting the time lag between development and take up. This also demonstrates the relative protection of the Carlisle market from the marked 'boom and bust' cycles experienced elsewhere. The two year average take-up arguably provides a more realistic reflection of past demand as it removes the anomaly of the flood of supply between 2005 and 2007
- Net versus Gross - employment forecasts reflect net demand whilst take-up reflects gross. For this reason in almost all studies of this nature demand as indicated by take-up is much higher than that indicated by forecasts
- The 'churn' factor - forecasts are impacted by projected decline in demand for manufacturing space, which is a national trend. However, they do not reflect on-going requirements for modern manufacturing premises to be built to meet specific requirements and to free up space for new occupiers
- Accuracy - in general forecasts tend to be a better indicator of longer term demand whilst take-up is more reliable for short term (five year) trends. However, given the marked 'boom and bust' cycles experienced within the last five years this is not currently the case. Lack of investor and occupier confidence is expected to continue for some time and a cautious recovery predicted. Even in locations such as Carlisle which have been shielded from the major impacts, caution can be anticipated for the foreseeable future

7.4 Given these issues we would advise that the last two years take-up, five year deals and aspirational forecasts provide the most realistic indication of requirements as far as they can be predicted in quantitative terms.

Supply Analysis

7.5 The analysis of supply (Section 2) found the following:

Short Term Supply

Table 8.1 Total Short Term Employment Supply (February 2010)

	Available Premises (sq m)	Under Construction (sq m)	Planning Permission ¹⁹ (sq m)	Total Short Term Supply (sq m)
B1	19,495	2,716	9,398	31,609
B2	23,972	2,923	2,593	29,488
B8	32,283	123	38,832	71,238
B2 or B8	30,204	19,891	681	50,776
Total	105,954	25,653	51,504	183,111

Source: Focus Co Star, Carlisle City Council and Walton Goodland

7.6 In summary, short term supply totals 183,111 sq m (1.97 million sq ft) of floorspace, which equates to a land area of up to 43.8 hectares²⁰. 17% of this is B1 office/light industrial and 58% is currently 'available' (marketed). 14% of the planning pipeline is under construction; 28% has planning permission. It can be anticipated that not all land with permission will actually come forward for development.

Longer Term Supply

7.7 In terms of the longer term supply there is 68.38 hectares of allocated employment land remaining (March 2009). 50.5% of this is located at Regional Investment Site Kingmoor Park (including 10 hectares at Brunthill, classed as a Strategic Employment Site). There are some non determined proposals on employment land which may reduce this but not significantly.

7.8 In addition to the 68.38 hectares longer term supply of remaining allocated employment land, a further 20 hectares of employment land is programmed to be allocated at Brunthill between 2011 and 2016. Half will be classified as a Regional Investment Site and half a Strategic Employment Site. The release of this land will have a significantly increase the supply of available employment land within the District.

Quantitative Gap Between Supply and Demand

7.9 The following table sets the findings of the demand and supply analysis against one another to provide an indication of the scale of the quantitative gap. Average annual demand is set out along the top line according to method used and supply is set out in the left hand column. The demand and supply figures are set against each to calculate 'years' supply' of employment land. The shaded columns are those which have been identified above as providing the most realistic assessment of demand.

¹⁹ Planning Permission figures include Stobart's now undetermined planning application at Carlisle Airport. Approval for this is anticipated within 6 months subject to Stobart continuing with the application and the findings of the Environmental Impact Assessment.

²⁰ See paragraphs 2.37 and 2.48.

Table 8.2 Years Supply of Employment Land

		Years Supply Based on:				
		5 Yr Avg Land Take Up	2 Yr Avg Land Take Up	5 Yr Avg Transactions	Projections - Baseline	Projections - Aspirational
Supply Calculation	Ha	9.8	1.75	2.3	0.04	0.8
Short Term Carlisle Supply	43.8	4.5	25.0	19.0	1,095	54.8
Long Term Carlisle Supply	68.4	7.0	39.1	29.7	1,709	85.5
Total	113.7	11.6	65.0	49.4	2,843	142.1
Kingmoor Park Supply	34.6	3.5	19.8	15.0	865	43

- 7.10 The broad message from the table is that Carlisle, at face value, has an excess of supply over demand for employment land. The short term supply alone is equivalent to between 19 and 55 years supply. Even if we assume that only half of planning permissions are implemented the short term supply is still equivalent to between 16 and 47 years supply, due to the large proportion of existing available space. Looking forward the longer term supply provides between a further 30 and 86 years supply. The dominance of Kingmoor Park is demonstrated by the fact that this alone accounts for 15 to 43 years supply.
- 7.11 In terms of short term supply the largest proportion is located on Local Employment Sites (39%) followed by 31% on the Regional Investment Site (Kingmoor).



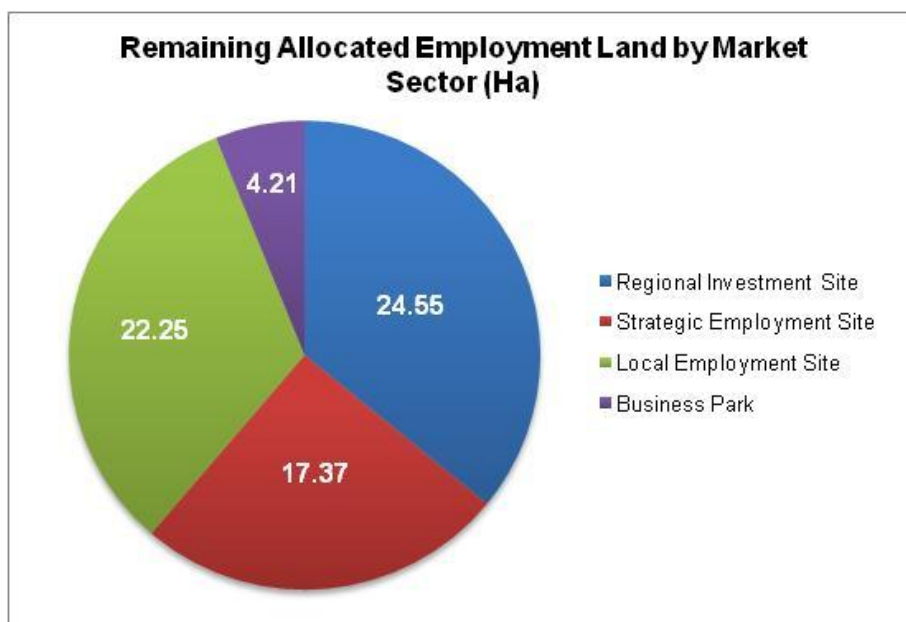
- 7.12 This can be broken down further according to availability, under construction and planning pipeline²¹.

²¹ These figures include Stobart's now undetermined planning application for Carlisle Airport

Table 8.3 Available Supply

	Available Premises (sq m)	Under Construction (sq m)	Planning Permission (sq m)	Total Short Term Supply (sq m)
Regional Investment Site	34,120	20,646	1,574	56,340
Strategic Employment Site	1,556	0	45,018	46,574
Business Park	7,443	0	427	7,870
Local Employment Site	62,834	5,007	4,109	71,950
Unallocated	0	0	376	376
Grand Total	105,954	25,653	51,504	183,111

- 7.13 Table 8.3 shows that immediate availability (i.e. available premises) is focused on Local Employment Sites and at Kingmoor Regional Investment Site. However, in terms of new supply coming forward through the planning pipeline, very little of this is on local employment sites and is focused on Kingmoor (80.5% of under construction) and on Strategic Employment Sites (87% of planning permissions).
- 7.14 The diagram below also shows that long term supply is biased towards Regional Investment (Kingmoor) and Local Employment Sites (predominantly at Botcherby) with 68% of the longer term supply falling into these categories.



- 7.15 Although at face value there is a large surplus of supply over demand for employment land there are a number of issues highlighted in this quantitative analysis which require further investigation through the qualitative assessment of supply:
- The aspirational forecasts used are arguably less optimistic than the growth aspirations of Carlisle articulated through the Growth Point programme of development (see Section 5, para 5.2). Housing growth cannot be achieved, particularly in a district such as Carlisle with a large rural hinterland, without employment growth occurring in tandem. Although we must be aware of past trends and the impact of recession, it is critical that growth aspirations are not constrained by an employment land portfolio which cannot meet these aspirations in terms of either scale or quality

- Short term supply is predominantly comprised of available space, much of which is known to be of relatively poor quality. This is particularly so on local employment sites
- Although the planning pipeline is relatively substantial for a city of its size (over 77,000 sq m (829,000 sq ft) under construction or with permission), the timescales for delivery of much of this space is uncertain, particularly given the impact of recession. The public sector potentially has an important role to play in facilitating the delivery of new floorspace to contribute to growth ambitions
- Future supply is dominated by Kingmoor Park and the planning application at Carlisle Airport. Although the success of these locations is vital to growth aspirations, the district must also ensure that local employment needs are met and regeneration targets delivered. Given that the majority of demand in Carlisle is locally generated, there is arguably a much shorter term supply of local employment sites. Addressing this will require consideration of supply in other parts of the district, in particular the City Centre, which currently has a very limited and poor quality office supply, and south Carlisle where the majority of the City's deprived communities are located

Qualitative Analysis

- 7.16 In order to get under the skin of the figures and to understand the real supply issues in Carlisle it is useful to recap on the messages emerging from the previous sections as follows.

Carlisle Employment Land and Premises Supply: SWOC Analysis	
Strengths <ul style="list-style-type: none"> ▪ Carlisle accounts for approximately 50% of Cumbria's available supply ▪ Committed local business base ▪ Excellent strategic accessibility ▪ Small number of key employers wanting to invest ▪ Self contained market, relatively shielded from economic boom-bust cycles 	Weaknesses <ul style="list-style-type: none"> ▪ Supply held in a limited number of locations which restricts range, choice and competition ▪ Quality of existing offer considered an issue ▪ Perception of under-supply outside Kingmoor ▪ Perceived North/South divide ▪ "Lack of strength in depth to support additional supply on a large scale" ▪ Lack of car parking and movement strategy in City Centre ▪ Poor management of major City Council owned estates
Opportunities (Drivers) <ul style="list-style-type: none"> ▪ Accessibility ▪ Sector strengths but not enough to achieve 'clustering' ▪ Carlisle Airport ▪ Growth Point status ▪ Links into wider Cumbria economy, e.g. Energy Coast ▪ University (but consolidation not expansion now) ▪ Carlisle's quality of life ▪ Regeneration opportunities on key estates 	Constraints <ul style="list-style-type: none"> ▪ Local property market limits scale of demand ▪ Perception of movement and car parking issues in urban area and City Centre ▪ Lack of freehold although mixed messages ▪ Low quality of premises and management of estates ▪ ICT connectivity moving forward ▪ Workforce and skills ▪ Values act as constraint on supply (especially offices) ▪ Alternative locations on M6 e.g. J40 Penrith ▪ Public sector not 'business minded'

- 7.17 In order to capitalise on the strengths and opportunities and address the weaknesses and constraints this study has identified a number of key supply gaps and issues to be tackled.

Geographical Gaps

- 7.18 As highlighted previously there is a very large pipeline supply of employment land in the north of the District but a much more limited supply in other parts of the district. There are however a number of existing employment locations in the south and south east of the district which are arguably not fulfilling their potential contribution to Carlisle's economy, notably Durranhill and Rosehill. These locations play an important role in providing employment opportunities for residents in Carlisle's deprived communities and have significant opportunities for enhancement, expansion and/or redevelopment. Both Durranhill and Rosehill are also well related to the motorway junctions and therefore can play a wider, more strategic role in Carlisle's economic growth. A balance needs to be achieved between addressing any perceived or actual access issues between areas of opportunity (in the north) and areas of need (in the south), and maximising the potential of older employment locations and so improving the supply within areas of need.
- 7.19 Future opportunities have also been identified on greenfield sites along the M6 corridor. A key question to consider within the future strategy is whether the focus should be on regeneration of existing sites which relate well to existing communities; and whether this should be in tandem with or instead of the release of new motorway locations, either now or in the longer term

Quality Gaps

- 7.20 It has also been highlighted that much of Carlisle's available stock, which forms a significant proportion (58%) of short term supply, is not always suited to modern needs. Although this is the case in relation to all sectors of supply, specific issues flagged up during the course of this study relate to:
- A lack of good quality, modern office space within the City Centre (and an oversupply out of town)
 - A latent demand for good quality serviced offices
 - A continued need for good quality industrial premises which are suited to modern manufacturing processes and higher value added activity. This is in spite of a predicted fall in manufacturing employment, and reflects the outdated nature of much of the existing stock
 - An inadequate 'ladder of supply' of industrial units, resulting in businesses staying in start up premises, such as Carlisle Enterprise Centre, when they should be moving on to larger premises elsewhere. This can constrain the development of new businesses and the expansion of existing businesses
 - A lack of quality supply of all types of local employment sites

Product Gaps

- 7.21 The following table identifies product types which are in short supply in Carlisle. It combines the findings of the previous two sections to identify location gaps and product gaps in relation to sectors of supply. The final column identifies other thematic 'gaps' which have been identified and need to be addressed in order to support the wider operation of commercial property markets

Sector	Location Gaps	Size/Type Gaps	Thematic Gaps
Office	City Centre	Small - medium sized (up to 1,860 sq m/20,000 sq ft units) Small quality serviced offices	City Centre parking - perceived availability and affordability Skills - shortage of higher level skills
Industrial	Lots of supply but quality gap, particularly in the south	Good quality units across size range Ensure starter units and follow on space to support key sectors	Quality transport links to employment in the north of Carlisle
Warehousing	Airport Short term - Kingmoor & Brunthill Longer term - M6 J42	To be determined via Airport Masterplan	Quality transport links to employment in the north of Carlisle

7.22 There are a number of key spatial opportunities for addressing these gaps which have been identified through the study:

- Vacant plots on existing estates - numerous but small scale
- Undeveloped allocations, e.g. Kingmoor, Airport
- Regeneration of existing locations, e.g. Durranhill, Newtown Industrial Estate
- Redevelopment in City Centre, e.g. Caldew Riverside, Botchergate/Lancaster Street
- New allocations, e.g. expansion at airport

7.23 A delivery strategy for employment land in the City should identify priorities and options for ways in which these products can be delivered and how specific sites can be taken forward.

Thematic Gaps

7.24 Identified in the table above there are a number of thematic gaps which partners should be aware of. These include:

- Perceived issues in relation to the availability and affordability of car parking in the City Centre, as well as movement issues in and around the centre, which could be considered to be acting as a constraint on the city centre office market
- Perceived difficulties in accessing employment opportunities in the north from deprived areas in the south. Existing bus services are regular but perceived to be slow
- A shortage of skills, highlighted by the low proportion of the population with qualifications above NVQ Level 2 (secondary school). Employers have also highlighted difficulties in recruiting skilled employees (both basic skills and higher level skills)

7.25 Furthermore there are two key 'gaps', which are not drawn out in the table above, but which are identified in the SWOC analysis at the start of this section. These are:

- Perceived lack of a 'business friendly' culture within the public sector: Moving forward the public sector must ensure that it provides appropriate support to existing key businesses, e.g. H&H, Stobart, and a supportive environment for new and growing businesses

- A lack of available freehold/long leasehold premises and land. This is due to the perceived dominance of Kingmoor Park Properties Ltd and the City Council in relation to land ownership in the City. There is a strong message that this is holding back investment within the City

7.26 A key question to be considered within any future strategy is how these issues can be addressed and what is the appetite of partners for change?

Developing the Options

7.27 Section 8 sets out the Options for Future Provision of Employment Land in Carlisle. It sets out:

- A recommended spatial approach to employment land supply in Carlisle
- Possible actions to address the qualitative shortfalls
- Identified roles for key sites and possible approaches to taking these forward

8.0 Options for Future Provision of Employment Land

8.1 This section sets out the options for the future provision of employment land in Carlisle. It considers:

- Spatial options for future employment land provision
- Locations of future supply
- Recommendations for thematic interventions
- Site specific recommendations, including action plans for high priority investment locations
- Recommendations on sustainability and future monitoring

Spatial Options for Future Employment Land Provision

8.2 Three spatial options have been identified, each driven by a different level of growth as indicated by aspirations and employment forecasts carried out as part of this study. The principles of each option are summarised below.

Table 8.1 Carlisle Employment Land - Spatial Options

Spatial Option	Expand Supply	Maintain Status Quo	Contract Supply
Objective	Major Growth	Targeted Growth	Consolidation
Driver	Growth ambitions	Balancing growth & forecasts	Employment forecasts
Strategy Focus	Existing sites + M6	Existing sites, city centre, KSCs	Major de-allocations

8.3 Each of the options has been subject to a headline assessment based on:

- Economic Development - potential to meet future requirements
- Environmental Sustainability
- Planning Conformity - under/over-supply and sequential issues

8.4 The outcome of the assessment is as follows.

Table 8.2 Spatial Option Assessment

Option	Criteria	Score	Comment
Major Growth	Economic Development	M	Maximum range of choice of sites and premises to meet maximum growth targets However potential to undermine city centre and regeneration of older estates by opening up new greenfield sites with limited access to local population
	Environmental Sustainability	L	New locations not well accessed by public transport and not necessarily accessible to deprived areas
	Planning conformity	L	Demand evidence base does not support need for new allocations Fails sequential test - there are brownfield opportunities which should be developed first and which can meet supply requirements
Maintain Status Quo	Economic Development	H	Prioritises existing sites and city centre to maximise regeneration Prioritises locations with excellent access to deprived areas
	Environmental Sustainability	H	Focuses on sites which are currently well served by public transport or which have the potential to be Prioritises use of brownfield land
	Planning conformity	H	Maximises use of brownfield sites within urban area first Supported by quantitative and qualitative demand evidence base

Option	Criteria	Score	Comment
Contract Supply	Economic Development	L	Does not allow for growth or regeneration
	Environmental Sustainability	M	Potentially reasonable as long as de-allocations are those which are least sustainable
	Planning conformity	M	Some support from quantitative evidence base, but does not address qualitative issues identified LDF will not support growth ambitions

- 8.5 On the basis of the above analysis we recommend 'Status Quo' as the preferred spatial option. However, we also acknowledge the need for pro-active intervention to support the delivery of a number of key sites and to address qualitative shortfalls in supply.

Intervention Options

- 8.6 The following sections identify the interventions which should be considered to support this recommendation. They include:
- Site specific recommendations, including classification of sites and options for intervention on priority sites
 - Options for thematic interventions - other factors to consider to support provision of quality sites, covering business support, accessibility and public realm
 - Sustainability
 - Monitoring

Site Specific Recommendations

Site Classification

- 8.7 DTZ have identified four categories of sites:
- **Priority Investment Location** - including new allocations
 - **Retain and Manage** - improved management where necessary and retained policy protection. This group of sites splits into two:
 - (a) Sites requiring intensive management or special policy protection
 - (b) Sites which require a light touch monitoring approach
 - **Consider Alternatives** - review more appropriate uses if released and employ flexible use policy which permits change of use from employment if occupiers vacate. These are predominantly sites which are in their current location because of historic reasons, but which would not be suited to modern employment requirements
 - **Change of Use** - sites which have been identified as no longer required for employment use and which could be released immediately for residential or mixed use
- 8.8 Table 8.3 identifies which sites DTZ consider fall into which category and our key recommendations for each site.

Table 8.3 Site Specific Recommendations

Priority Investment Locations		
Site/Map Ref	Site Name	Recommended Delivery Mechanism
15	Durranhill Industrial Estate	Joint Venture or Private sector lead; Public sector gap funding/enabling
17	Rosehill Industrial Estate	Private sector lead, proactive support from Council
27	Carlisle Airport	Private sector lead, Masterplan, supportive planning framework (SPD)
1	Kingmoor Park and Brunthill	Private sector lead, control through planning (SPD)
43 & 44	Viaduct Estate Road North & South	Joint Venture or Private sector lead; Public sector gap funding/enabling; Supportive planning. Combine with Viaduct Car Park sites to provide single employment allocation
42	Botchergate/Lancaster Street	Private sector lead; Public Sector gap funding/enabling; supportive planning
7	Newtown Industrial Estate	Public sector funding (access and environmental improvements)
12	Harraby	Public sector coordinating partners and supporting delivery of starter/follow on units. Link to Harraby Junction (Call for sites - Site 48)
Retain and Manage: (a) Intensive Management and/or Special Policy		
Site/Map Ref	Site Name	Recommended Management/Policy Intervention
4	Kingstown Industrial Estate	Improved management of Council owned estate as part of wider review
8	Willowholme Industrial Estate	Improved management of Council owned estate as part of wider review
22	Borders Business Park & Longtown Industrial Estate	Longtown need to review restrictive lettings policy which has constrained market and/or consider additional allocation for local employment use
24	Townfoot Industrial Estate	Support this important location as main employment site in Key Service Centre
39	Carlisle Enterprise Centre/James Street	Review management of Enterprise Centre to ensure occupier needs are met and starter businesses are spinning out of centre. Investigate potential link with University and scope for developing specialism for digital industries. Consider mixed use for remainder of the site as part of a wider edge of centre mixed use cluster of sites
Retain and Manage (b) Monitoring		
Site/Map Ref	Site Name	Action
3	Parkhouse	<p>No immediate action required on these sites. Public sector role to monitor:</p> <ul style="list-style-type: none"> ▪ Vacancy rates ▪ Proposals to ensure conformity with policy and consider impact on other employment locations ▪ General condition and management needs (see above)
5	Kingmoor Industrial Estate	
6	Burgh Road Industrial Estate	
9	Port Road Business Park	
16	Harraby Green Business Park	
19	Riverside, Warwick Road	
25	Irthing Business Centre, Brampton	
28	Sandisyke	
29	Whitesyke	
10	South West of Morton (amend allocation to fit planning approval)	
11	Pirelli, Dalston Road	
30	Stead McAlpin, Cummersdale	
31	Barras Lane Industrial Estate	
32	Nestle, Dalston	
35	Denton Holme Trading Estate	Should any of these 'monitored' sites ever become available the Council may want to consider a wider range of uses, but each case would need to be treated on its merits
38	Denton Business Park	
40	Currock Road East & West	
41	James Street and Water Street	
46	Warwick Mill Business Centre	

Consider Alternatives		
Site/Map Ref	Site Name	Potential alternative use if site becomes available
2	Kingmoor Park - Northern Sites	Alternative uses unclear, although Harker considered within residential call for sites
13	Harraby Depot	Consider as potential residential development site
14	Durranhill Sidings (Factory West)	Continue to support existing business on site as an important local employer but consider for residential use if ever vacated
18	Botcherby/Rosehill Extension	If not required for extension to Rosehill Industrial Estate the potential for residential uses could be considered in context of the Growth Point
20	Upperby Depot	Consider as potential residential development site
21	Longtown Bridge	Existing businesses operating well, if however vacated consideration should be given to the future uses of the site in the context of supporting this KSC
22	Borders Business Park & Longtown Industrial Estate	Consider Mill Street and land west of Briar Lea Court parts of site for residential uses if ever vacated
23	Brampton East	Northern site would suit residential use, but retain and monitor Old Brewery Yard
33	Nelson/Norfolk Street	Edge of centre site would suit surrounding urban residential uses
Change of Use		
Site/Map Ref	Site Name	Potential alternative use
14	Durranhill Sidings (East)	Residential for vacated dairy part of the site
26	Brampton Garages	Residential
34	Peter Street	Residential or mixed use
36 & 37	Caldewgate North and South	Mixed use
45	Laings, Dalston Road	Residential

Call for Sites - Recommendations

- 8.9 The following table sets out the recommendations for employment sites coming through the Call for Sites. Only Harraby Junction is recommended to be taken forward as an employment site within the short to medium term and its potential role in opening up Harraby (Site 12) for development is recognised. NW Junction 42 is identified as a reserve site for longer term use or for special circumstances in cases where there is no alternative site for a proposed major occupier or use.

Site/Map Ref	Site Name	Key recommendations
47	Burgh Road Extension	No allocation at this stage - consider potential in context of new CNDR passing the site and other opportunities which may emerge along CNDR
48	Harraby Junction	Currently in employment use - allocate as Primary Employment Area. However potentially an important role to play in opening up Harraby (site 10)
49	Barras Lane Extension	Barras Lane is an important site in rural centre, consider reserving site for longer term general employment extension
50	Carlisle Airport Extension	Consider potential as longer term employment extension to Airport allocation
51	Junction 42, Carleton Road	Reserve for special circumstances
52	NE Junction 42, Newlands Farm	No allocation - east of motorway which provides defensible barrier to rural area
53	Grearsill Extension	No allocation - east of motorway which provides defensible barrier to rural area and would further increase over supply in north of District

Site/Map Ref	Site Name	Key recommendations
54	Orton Road	No allocation - would set precedent for other sites along CNDR and potentially undermine employment sites in other parts of City. CNDR should be viewed as access corridor rather than development corridor

- 8.10 Burgh Road Extension should be considered in the context of the CNDR and other development opportunities which emerge along its route. A definitive view must be established as to whether it is desirable for CNDR to become a development corridor (in the light of other messages about quantitative and qualitative supply elsewhere in this report). Our view is that development here could risk undermining other fragile locations elsewhere in the District and would not be in accordance with the spatial priorities identified through this study. However, if development is encouraged along the route then Burgh Road Extension is an opportunity which could be considered to make sense as an extension to an established employment area, but this and other opportunities should be considered on their merits.

Locations of Future Supply

- 8.11 The following table sets out the broad timeframes within which it is anticipated future supply will be delivered.

Site No	Site Name	Available (Ha)	Recon-figuration Potential	Availability			
				2010-2011	2012-2016	2017-2021	2022-2026
1	Kingmoor Park & Brunthill	41.85					
3	Parkhouse	4.01					
8	Willowholme Industrial Estate	0.45	✓				
9	Port Road Business Park	0.17					
10	South West of Morton	8.00					
12	Harraby	2.50					
14	Durranhill Sidings	1.60					
15	Durranhill Industrial Estate	1.03	✓				
16	Harraby Green Business Park	0.20					
17	Rosehill Industrial Estate	2.70	✓				
18	Botcherby/Rosehill Extension	8.80					
19	Riverside, Warwick Road	0.42					
22	Borders Business Pk, Longtown (4 sites)	2.85					
24	Townfoot Industrial Estate	1.15					
27	Carlisle Airport	19.20					
34	Peter Street (North City Centre)	0.21					
41	James Street/Carlisle Enterprise Centre	0.39	✓				
Totals		95.53					

Suggested Headline Action Plans for Priority Investment Sites

- 8.12 Suggested headline action plans have been devised for the Priority Investment Sites:
- 15 Durranhill Industrial Estate
 - 17 Rosehill Industrial Estate
 - 27 Carlisle Airport
 - 1 Kingmoor Park and Brunthill
 - 43 & 44 Viaduct Estate Road South and North (including Viaduct Car Park sites)
 - 42 City Centre: Botchergate and Lancaster Street
 - 7 Newtown Industrial Estate
 - 12 Harraby
- 8.13 These action plans set out:
- Site Opportunities
 - Potential Uses
 - Key Delivery Issues
 - Recommended Delivery Mechanism
 - Sustainability
 - Priority Actions
- 8.14 The Action Plans can be found in Appendix F.

Options for Thematic Interventions

Business Support

- 8.15 DTZ have identified the following 'menu' of options for intervention which would provide a more supportive environment for businesses.
- **Strategy Co-ordinator** - once the strategy for employment land is agreed we consider it will be critical to nominate an officer who will take responsibility for overseeing its delivery. This will involve determining a programme for engagement with key stakeholders, establishing working groups, ensuring appropriate monitoring systems are in place etc
 - **Business Support Officer** - the identification of a high profile 'go to person' within Carlisle City Council would be a useful step forward. This person would be businesses' first point of call and should be able to cut through red tape and ensure that any issues that are constraining the ability of local business to perform are addressed and appropriate action taken by public sector partners. This role could potentially be incorporated into the role of the Strategy Co-ordinator but the nominated person must have the appropriate skills to understand the issues that local businesses are facing

- **Marketing Carlisle** - the launch of an employment land strategy should be followed by a programme of marketing the agreed actions to ensure that existing businesses, potential investors and appropriate public sector partners are aware of Carlisle's commitment to enhance their employment offer. This campaign needs to be on going. Many local authorities are establishing business forums and e-newsletters to promote successes, build confidence in their areas and raise awareness of the actions they are taking to support the local economy. This is a way in which Carlisle could engage with businesses in a more proactive way
- **Review of Estates and Management** - some of the feedback from the consultations and business surveys related to the quality of the public sector estate. Given the dominant role that public sector freehold plays in the local stock, it is essential that public sector partners are investing appropriately to ensure their stock it is fit for purpose, complies with DDA requirements and they or their agents are considered to be offering a quality management and maintenance service. It is recommended that a full review of the existing stock, including quality and views on maintenance and management, are undertaken. One option would be to identify dedicated caretakers for the key estates or at least a dedicated contact within the Estates Department
- **Review of Lease Arrangements** - a review of public sector lease arrangements is ongoing. This study has reinforced the importance of this review. It is crucial that, by having freehold interest in a large proportion of the District's stock, the public sector does not risk stifling development or undermining the ability of existing business to carry out their business and expand. The importance of the income stream from leases is fully recognised but there is a clear need for a more balanced approach which allows maintenance of a level of income from this source but which is also responsive to the needs of modern day businesses and allows local businesses to function effectively in the market
- **Provision of Specialist Units** - one of the outputs from the review of estates should be to try to determine the extent to which there is demand for specialist space in the area for example serviced workspace
- **Investment in ICT** - concern regarding the adequacy of ICT infrastructure was raised through the consultation process. A recent review of ICT found that whilst ICT infrastructure is currently adequate, advances in technology risk lagging behind other areas of the region. Over the long term it is crucial that ICT infrastructure within the District keeps pace with the rest of the region and has sufficient capacity to support future employment development. Given the distance of Carlisle from the heart of the region minimising any such disadvantages is critical. Partners must continue to lobby regional partners and national providers to ensure the level of investment in this area is appropriate
- **Review of Skills** - the public sector should continue to work with education and training providers to ensure that local residents have the necessary skills to meet the potential needs of local businesses. Support for up skilling should be focused on the southern wards within the District which have higher levels of deprivation and in particular higher levels of unemployment and lower educational attainment

Accessibility Improvements

8.16 The following actions should be considered to improve accessibility within Carlisle:

- **Enhancing Parking Provision for Businesses** - one of the strongest messages gained through the commission from businesses has been a perception of a lack of affordable, long stay car parking, particularly in the City Centre. Businesses perceive that public sector partners are aware of these issues but do not feel they have clearly set out actions to respond. A movement strategy for Carlisle was undertaken in 2007 and from that a Car Parking Strategy was developed. The Strategy was developed in the context of potential future demand which would emerge from the delivery of Carlisle Renaissance's proposals, and even so did identify sufficient spare capacity to meet foreseeable demand. It is understood that an action plan emerging from the Strategy will be presented to Elected Members in the coming months for approval. Whilst it is acknowledged that the County has made considerable effort to understand the parking and movement situation, it is clear there is still a gap between the County's understanding and businesses' perception of the issue, which is acting as a constraint on the office market. We suggest that further direct engagement with businesses needs to take place to explain the proposals for improvement and to get under the skin of any more detailed issues which are felt to be undermining business activity in the City Centre. The County should then work closely with businesses to identify practical solutions to any problems. The aforementioned business forum would provide an excellent opening for this discussion
- **Improving Accessibility in Carlisle City Centre** - the City's excellent strategic accessibility from the M6 is perceived to be undermined by congestion on the main radial routes into the City Centre and at key nodes such as the junction of Rosehill and Tesco on the A69. As described above a Movement Strategy has been prepared and additional work in relation to bus improvements, cycling and walking undertaken. Measures identified to improve movement in Carlisle have been integrated to form a Strategic Overview for Transport and Movement for the City. This is due to be presented to Elected Members for approval in the coming months, alongside the parking strategy. Again, despite these concerted attempts to make a strategic response to the issue, businesses are still very concerned about the perceived lack of practical intervention on the ground. Again the solution should be one of pro-active engagement with businesses to explain the public sector's approach, understand business concerns and devise practical solutions
- **Public Transport Improvements** - one of the key questions that the study sought to answer was whether there was a need to allocate a major new employment site in the south of the District to enhance employment opportunities for residents in the more disadvantaged wards in the south. It is not recommended that a major allocation is made, in part because such an action would not guarantee jobs to local people. Rather it is recommended that public transport is enhanced to ensure good access from areas of need to existing employment areas, in the north and the south. In particular consideration should be given to improving the frequency of services from the south to the north of the District and to measures to improve journey times. This then needs to be supported through actions to improve local skills (see above)

Public Realm Enhancements

- 8.17 Potential investors are influenced by the environmental quality of a location. This is increasingly important as issues such as staff amenity and image are of growing importance when making location decisions, once critical factors like skills, cost of labour and access are satisfied. The identified potential interventions to improve the environmental quality of Carlisle are:
- **Improvements to Key Gateways/Sense of Arrival to the City Centre** - these should be tied to improvements to reduce congestion along key corridors into the City. Improvements should be made to key gateways from the motorway to the City Centre - the A7 from Junction 44, A69 from Junction 43 and A6 from Junction 42. Enhancing the public realm along these key routes will be integral to improving the image of Carlisle
 - **Gateway Improvements to Key Employment Areas** - although some thought has been given to gateway signage, there is also considerable scope to improve entrance signage to key employment areas to enhance the sense of arrival at a well managed estate. This should then be reinforced by clear signage and mapping within the estate to aid ease of access and movement. Banners could also be used along key gateways close to the major sites such as Kingmoor, Durranhill and Rosehill
 - **Improved Public Realm within Key Employment Locations** - public realm improvements can be funded through S106 Agreements as part of the delivery of development opportunities. An agreed palette of colours and materials should be used to enhance the overall quality of the public realm to enhance Carlisle as a place to work, do business and live. A co-ordinated contemporary palette of street furniture, streetscape pavement materials, and signage, would reinforce the area's special character, whilst also defining the key routes towards the City Centre
 - **Stronger Guidance on Quality of Design** - improving the setting and appearance of the District's employment locations should be enshrined in local policy, for example the introduction of Supplementary Planning Documents on Design for key employment areas and the City Centre. Improvements to design quality can be delivered through direct investment by the public sector in their assets, and encouraged through discussion with existing owners and negotiation with potential future investors as part of consideration of planning applications
 - **Consistent Signage** - Carlisle City Council enjoy significant ownership across the District and this could be promoted through the use of consistent branding of all welcoming and promotional material. This would demonstrate strong management and co-ordination and raise the profile of where to go to find out more about opportunities within the District. This is a technique that is being used successfully by a number of local authorities for example Bolton. The use of strong colours and or a simple logo will reinforce the Council's profile and support the improved marketing and awareness of the stock of accommodation

Sustainability

- 8.18 Sustainability continues to rise up the agenda as major occupiers consider the energy performance of the space they choose to occupy, both in terms of the actual building and the way they use it. According to a recent survey by CoreNet, 61% of occupiers say that sustainability is already critical to their business and 23% believe that it will become business critical over the next two years. Sustainability is not just energy efficiency. It is a complex and varied subject encompassing a wide range of environmental, social and financial aspects.

8.19 There are eight key concepts of sustainability that occupiers are or should be considering as part of a sustainable real estate strategy:

- Adaptability - to reduce the frequency at which buildings need to be replaced, adapted or refurbished, sustainable buildings need to be able to be adapted to meet the changing requirements of occupiers as well as any possible change in use
- Location - widely considered to be the most important factor of sustainability, the location of a building needs to be carefully considered in terms of the proximity to a range of public transport connections, the physical risks of climate change (such as flooding and soil erosion) as well as the potential impact of future congestion charging, car parking taxes and increased fuel costs
- Energy efficiency - the availability of energy is critically important, as natural resources of fossil fuels are fast depleting and believed to be the major cause of climate change, emphasis will be upon renewable
- Water and waste - legislative and cost factors will increasingly force property developers, investors and occupiers to consider waste generation and water use across all types of property
- Longevity and future-proofing - in addition to being made to be adaptable, buildings should be designed to have a long life expectancy and this will mostly be achieved by using durable but easily replaceable materials and by designing buildings that are relatively easy to take apart, adapt and reassemble and capable of withstanding the anticipated future impacts of climate change
- Appeal to users - designing and constructing buildings that people want to occupy is by no means something new but from a sustainable perspective it is necessary to take a longer term view and create a secure and productive work environment which takes into account future trends
- Community and regeneration impact - buildings must be appropriate for their surroundings and form a successful point of interaction for the local community including investing into regeneration areas and the reuse of vacant or derelict buildings and sites
- Ecological and land use impact - sustainable land management techniques should be employed to protect and enhance natural assets, whilst minimising adverse impacts on soil, air, water and wildlife

8.20 Moving forward the City Council should consider enshrining these concepts within a **Property Sustainability Programme**. This plan should articulate how changes by the private and public sector in property development and management can contribute to delivery of the Council's sustainability goals. From this we would recommend preparing a **Sustainability Plan for each employment location**, starting with the Priority Sites. This plan should cover issues such as energy consumption, waste water, land use, ecology, transport etc. It should set out an action plan for each location and define targets against which progress will be monitored.

8.21 Potential actions can be broken down into high, medium and low cost interventions as follows.

High Cost/Long term	Medium Cost/Mid Term	Low Cost/Quick Wins
Incorporating energy savings into building refurbishment schemes	Boiler optimisation	Improved staff energy awareness
Introducing on-site renewables	Improving lighting systems	Introduction of energy teams
Introducing alternative cooling strategies for buildings to replace air conditioning	Installing energy management controls to building management systems	Installation of SMART meters
		Review of HVAC controls

- 8.22 In Carlisle, given its extensive land ownership, the City Council can play a pivotal role in driving forward some of these initiatives on its own estates. The focus initially should be on working with occupiers, perhaps via the aforementioned business forums, on quick wins such as awareness raising, training and potentially grants. Monitoring progress will be key and the Council should work with occupiers to set targets for improvement.

Monitoring

- 8.23 Our recommendations include increasing understanding and monitoring of success:

Increasing Understanding

- 8.24 Cumbria County Council currently collate key performance indicators across the county. This information is invaluable and should continue to be seen as the key source of information. However, we recommend that working with Cumbria County Council, Carlisle City Council should ensure that they are drilling down into a number of key performance indicators to better understand their market and also to assess the impact their interventions are having.
- 8.25 Key performance indicators that should be collected on at least an annual basis are as follows:
- **Stock** - consideration should be given to collecting more robust information about stock condition
 - **Vacancy Rates (by building and site)** - should be monitored to ensure that if an estate is starting to decline partners are made aware as soon as possible and action is taken to respond to the issues
 - **Deals** - monitoring rents and yields through the press and regular contact with local agents will help to track the performance of Carlisle's stock
 - **Enquiries** - importantly these should be monitored more rigorously to understand specific requirements in terms of building, other needs, why potential investors/occupiers are considering Carlisle and which other locations they are considering. Follow up should also be undertaken with investors/occupiers who decided not to locate within Carlisle to determine their decision making reasoning. This will enable partners to better determine the critical factors that they need to address to ensure that Carlisle is better able to compete
 - **Land Availability** - in addition further investigation should be undertaken to better understand the amount of land that could be available if key sites were reconfigured in particular Durranshill, Rosehill and Willowholme Industrial Estates and other key sites within the City Centre

- **Satisfaction** - building upon the business survey and as part of a strategy to better manage the public owned stock, partners should undertake regular surveys with occupiers within the public sector owned stock. The feedback received should then be acted upon and marketed when appropriate, through the aforementioned business forum or e-newsletter. The questions should not just relate to issues with the stock itself, but also cover the wider environment, quality of physical and non-physical business support and wider issues in the District such as accessibility and parking. These surveys could also cover space leased from the private sector and key messages fed back to them to support the better management of stock across the District
- **Priority Sites** - monitoring 'files' should be set up for each of the recommended priority sites. These should hold all known information about the sites and going forward contain a record of all meetings held to discuss the sites and agreed interventions. This will ensure that the opportunities and constraints of each of the sites is better understood and shared with key partners across different departments and organisations

Monitoring Success

8.26 This research has brought together a number of key indicators and provides a useful baseline which should be kept up to date in order to evaluate the impact of the delivery of the recommendations set out within it. The key performance indicators that Carlisle should monitor to determine the success of the employment strategy are:

- **Vacancy Rates** - by use type and location
- **Land and Floorspace Take Up** - by use type and location
- **Deals** - to monitor the type of businesses that are taking space and at what price within the District. Enhanced management of the stock should manifest itself in higher quality occupiers being attracted to the District
- **Enquiry Success Conversion Rate** - following up enquiries should help to determine the number that are resulting in additional employment within the District. The rate should improve as the District becomes more attractive to employers
- **Levels of Satisfaction** - gleaned from surveys within public sector owned stock

Next Steps

8.27 Moving forward there must be a co-ordinated approach to determining the strategy for future employment land supply within Carlisle. This report has established options for consideration. All key Council departments, including planning, economic development and property services, must work alongside other partners, such as Carlisle Renaissance, Cumbria Vision and Cumbria County Council, to develop a strategy and implementation plan which takes forward the various elements highlighted in the final section of this report in a way which is acceptable to all partners. Key initial actions will be:

- To review the options identified and to agree the appropriate mix of interventions which will deliver medium term growth

- Devise an agreed strategy and implementation plan for employment land which all partners can sign up to
- Identify a single co-ordinator responsible for monitoring the delivery of that strategy
- Establish new ways of working with local businesses as a possible early win