



Carlisle Employment Sites Study: Implications for M6 Corridor

Final Report



June 2010

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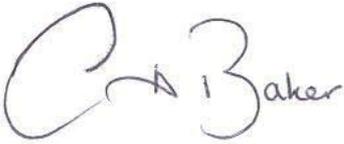


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- A - Policy Context Review
 - B - Socio-Economic Review
 - C - Scoring Criteria and Completed Site Proformas
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Executive Summary

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.