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**Draft Regional Spatial Strategy  
for the North West  
Examination in Public**

**Matter 10. Cumbria and North  
Lancashire**

**Written Statement on Matters  
10A-10B**

**On behalf of  
The North West Development  
Consortium**

**October 2006**

## Matter 10A: Sub-Regional Strategy

- (i) **Does the strategy communicate a clear, sustainable and appropriate vision for the sub-region? If not, how should the strategy be modified? In particular:**
- **Do the proposals for employment, housing, transport and the environment amount collectively to a coherent and appropriate vision for the sub-region?**
1. NWDC consider that there are aspects of the strategy for Cumbria and North Lancashire that are unclear, that suggest a potentially limited approach to the definition of sustainability and do not give appropriate consideration to the challenges of all parts of the Sub-Region.
  2. In setting out the overall spatial policy for Cumbria, Policy CNL1 seeks to focus major development in Barrow, Carlisle and West Cumbria. Whilst accepting that growth in these locations is important to support regional economic growth and regeneration initiatives, we consider that these are not the only areas where growth should be focused. In particular, recognition should be given to the development needs and opportunities within South Lakeland and Eden. Kendal, for example, occupies a strategic location as the southern gateway to Cumbria and is the primary focus of jobs, homes, education and services for the sub-area. It is a key economic driver with potential for improvement and growth but there is also evidence of emerging economic vulnerability epitomised by an increasingly low wage economy and recent high value job losses. A current deficiency of available employment land does not assist.
  3. The Technical Appendix to draft RSS outlines, at paragraphs 3.124 -3.125, the difficulties associated with a dependence upon a limited economic base that underlie, in part, the reasons why Cumbria is the only sub-region in the country experiencing economic decline. A key challenge is the need to diversify and strengthen the sub-regional economy. Kendal is one of three areas identified as priority areas for action by the Cumbria Strategic Partnership in '*Sustainable Cumbria 2004-2024*', along with Barrow and the West Coast and Carlisle and the Lake District.

4. Policy CNL1 does not communicate this message. Kendal only warrants mention in the final bullet point in relation to the need for improved access to jobs and services on foot, by cycle and by public transport. However, the issue is not just about improving access, important though this is. It is also about securing improved economic diversification and the provision of higher wage jobs and services, matched by appropriate housing development, to enable Kendal to fully realise its clear potential to contribute towards increased economic performance and productivity within the sub-region as a whole. This should be an acknowledged element of the overall **spatial** policy for Cumbria. For this reason, we consider that RSS should also recognise Kendal as a Regional Town in which development commensurate with this role, and its strategic location, should be provided.
5. Penrith similarly warrants reference in Policy CNL1 in view of its important economic role and function in East Cumbria.
6. The lack of spatial reference to South and East Cumbria in Policy CNL1 does not tie in with Policy CNL2 that refers to a focus upon securing inward investment and services in Kendal and Penrith as one of a number of sub-area development priorities. There is also inconsistency between Policy CNL1 and Policy L4/Table 9.1 which shows that proposed scale of housing development across South and East Cumbria exceeds the proposed development provision within the West Cumbria districts and Barrow. We believe that the proposed scale of housing for South Lakeland and Eden is absolutely essential in terms of projected household growth and the policy focus upon meeting the needs of local people. However, the inconsistency between policies does highlight the fact that the sub-regional strategy as a whole is sending mixed messages and requires clarification.
7. We broadly welcome the reference (Policy CNL1, third bullet point) to providing for small-scale development within local service centres through LDFs. This is the only current policy reference to their role within RSS. In responding to Matter 2D, we have highlighted concern about the omission of LSCs from generic Policy RDF3. We consider it imperative that RSS should acknowledge and facilitate the important spatial role that local service centres fulfil in sustaining small rural communities within areas, like Cumbria, characterised by a dispersed and/or sparsely populated settlement pattern.

8. We note that paragraph 15.5 of draft RSS regards this type of settlement pattern as *'a particular challenge in securing a sustainable pattern of development'*. From our perspective, it is important for RSS to recognise that small scale development can bring significant advantages in helping to sustain local services, provide access to housing and support or promote local businesses. It has an important contribution to make in ensuring that local communities thrive and remain viable. The needs of the smaller rural communities should not be overlooked on the grounds that development does not strictly comply with sustainability criteria such as public transport accessibility, for example. We consider that greater flexibility is required in defining what construes sustainable development in rural areas within Cumbria.
9. Whilst Policy CNL2 acknowledges that the needs of local people should be met in the context of securing inward investment and improved services, the reference to housing provision is couched solely in terms of further provision for affordable housing. Whilst fully recognising that there is a shortage of affordable homes within South and East Cumbria, and that it is a part of government policy to improve affordability, it is also the case that government policy seeks to ensure that a wide choice of housing types is available for both affordable and market housing. Policy CNL2 should therefore be amended to say that housing provision should be based upon meeting local needs, including affordable housing. Considerable reliance is placed upon the private sector to secure the delivery of affordable housing objectives through schemes that effectively involve cross subsidy between market and affordable provision. Site viability is critical, as outlined below. Otherwise there is a danger that development will be impeded altogether, resulting in a failure to meet neither local needs nor affordable housing requirements.
- **Do you believe the proposals to be deliverable, through the development plan system or in other ways?**
10. Supporting text at paragraph 15.9 of draft RSS seeks to impose a **policy** requirement that a proportion of the overall housing requirement is tied to local occupancy and a proportion to affordable needs. In our response to Matter 4A and in our original representations on Policy L5 we have already raised concerns about the approach now operational in South Lakeland, which draws from Policy ST11 of the Joint Cumbria and

Lake District Structure Plan (JSP). Within the district, all new housing is restricted to people with a local connection with the added imposition that at least 50% of units on sites of 4 or more should be for affordable housing. Indeed, this requirement is even more onerous than anticipated in the JSP that sets a higher site size threshold of 0.4 ha or 10 dwellings.

11. The approach adopted gives insufficient regard to local issues that affect site viability and the consequential impact upon the delivery of housing provision, contrary to emergent guidance in draft PPS3. The threshold of 4 units makes it virtually impossible for schemes to stack up even on green field sites and, in South and East Cumbria, brownfield sites are limited, most are still in use and have relatively high residual values. It is not possible therefore for developers to be able to acquire land, as a matter of course, at a price that reflects a policy expectation of at least 50% affordable housing, irrespective of the size and other characteristics of the site. Economically, those owning the sites will simply not sell them for less than they are worth in their existing use, and there is the additional factor that many of those using existing buildings or occupying existing sites wish to relocate locally to more modern and efficient premises and therefore also have economic considerations to take into account.
12. There is now clear evidence emerging in South Lakeland and Eden of a noticeable drop in the number of new housing schemes coming forward. The danger is that the effect of these requirements over time, will be precisely the reverse of what they are intended to achieve. It is therefore imperative that the sub-regional strategy must seek to ensure that the mechanisms employed to meet the needs of local people and make provision for affordable housing must be realistic and allow for flexibility on a site- by- site basis.
13. We would also reiterate that the Joint Structure Plan EiP Panel, whose report was released in January 2005, did not support the imposition of local occupancy restrictions. (Ref: CD CU1c: paras. 2.2.54-2.2.71 and 4.1.48). They believed:
  - ◆ it would establish an increasingly complex set of planning controls in an area where they were not warranted;
  - ◆ they had no evidence that the mechanism would have identifiable beneficial effects;

- ◆ guidance on the appropriate and inappropriate use of housing occupancy in Circular 11/95 gave grounds for concern, which they shared, about what was being proposed; and
- ◆ the approach towards ensuring that local needs are met must be set against a full understanding of how the local housing market works and a re- examination of the overall housing numbers in existing RPG13; the Panel considered that the figures imposed a level of restraint that was causing serious planning problems in the delivery of suitable numbers of housing rather than contributing to the emergence of well thought out and soundly based policies for housing.

14. The Panel concluded that the rational answer to local difficulties was to re-examine the overall scale of housing provision through the preparation of the new Regional Spatial Strategy. We concur.

**Matter 10B: Housing Issues**

**(i) Is the sub-region's housing provision and distribution appropriate and achievable? Are the PDL targets in Table 9.1 realistic, deliverable and based on robust evidence?**

1. The housing figures generally reflect greater realism than existing targets set by current RSS and the Joint Structure Plan. However, in response to Matter 4A/4B, NWDC have outlined reasons why it is considered that the proposed scale of provision for the region as a whole is insufficient to support the latest 2003-based household growth projections (CD: HOU22) and policy aspirations for sustainable economic growth. This has implications for the sub-region as well.
2. For example, the proposed annual average housing provision for Carlisle (450) is nearly 19% short of projected household growth (555) shown in the Sub-Regional household projections (CD: HOU22, Table F). The projections do not take account of future policy that, for Carlisle, is to build on its significant potential to attract development into Cumbria and enhance its role as a Regional City. Similarly, the RSS figure for Lancaster (400) is 20% short of projected household growth (500). The City meanwhile is recognised as a location for regionally significant economic development.
3. We have already indicated that it is absolutely essential that the scale of provision for South Lakeland and Eden should be set at a level that will assist in addressing local and affordable needs and is capable also of supporting economic investment opportunities that will sustain local needs and help reduce the number of economically active people leaving the area. The recently published Housing Needs and Market Assessment for South Lakeland, for example, defines a gross annual shortfall of some 685 affordable homes over the period 2006-2011, well in excess of the proposed policy figure.
4. The indicative PDL targets outlined in Table 9.1 of draft RSS for at least 50%, in the cluster of districts categorised under Lakes and Morecambe Bay and for Carlisle, are fair. They are a realistic reflection of the nature of supply, the challenges of delivery on brownfield sites in these areas and site viability issues. The figures also implicitly recognise that Greenfield sites in sustainable locations will be required in order to ensure that sufficient land is brought forward to meet strategic policy objectives for the sub-

region. It is essential, however, that the evidence base is constantly up-dated and that site suitability, availability and viability are taken into account, as draft PPS3 requires.