Employment Land Review Update

West Cumbria Evidence Base

Allerdale borough council
www.allerdale.gov.uk

Copeland borough council
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Contents

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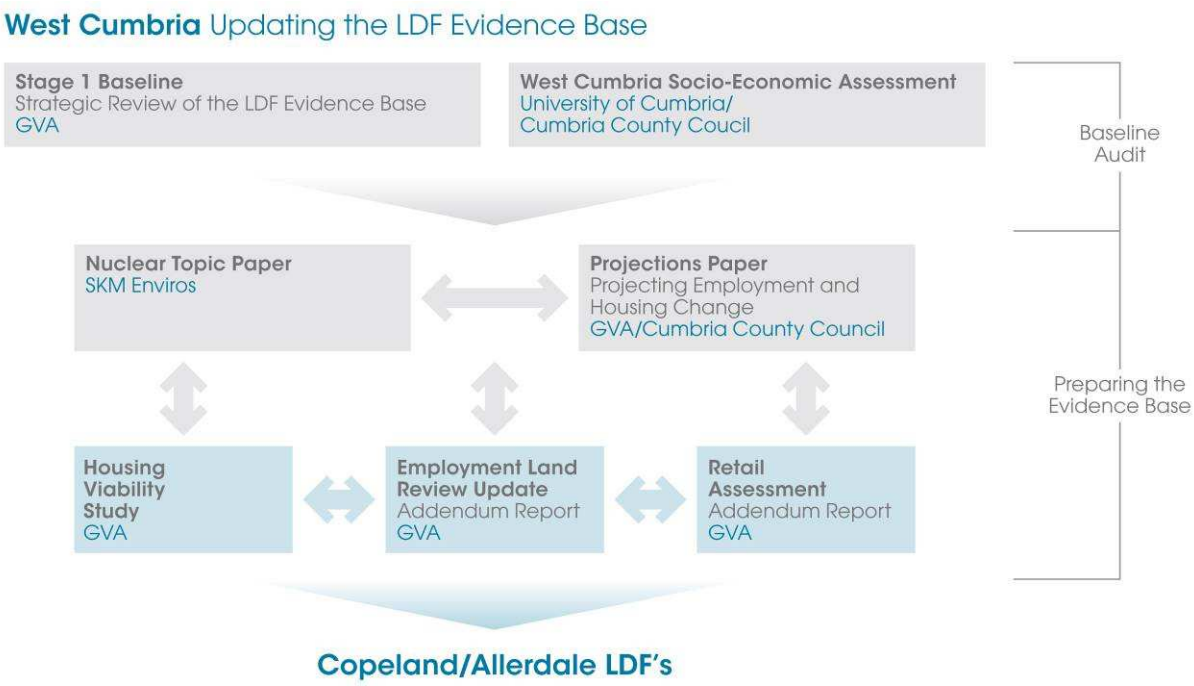
For and on behalf of GVA Grimley Ltd

1. Introduction

1.1 GVA were appointed in December 2010 to undertake a programme of works to assist the West Cumbria Authorities to update their LDF evidence base and produce a new Economic Blueprint and Spatial Plan to establish the future of the area, taking account of the potential for Nuclear New Build and other related investment.

1.2 This paper represents one of a number of outputs associated with updating the LDF evidence base and informing the Economic Blueprint. These are set out in the following diagram.

Figure 1.1: Updating the LDF Evidence Base for West Cumbria and Evidencing the Economic Blueprint



Source: GVA, 2011

1.3 As the diagram illustrates this paper draws on a wider suite of document including the Baseline Audit outputs as well as the Nuclear Topic Paper and Projections Paper to inform its conclusions. It sits alongside the Housing Viability Study and Retail Assessment, both also being undertaken by GVA as part of the update to the existing LDF evidence base. The findings of this analysis will also inform the Economic Blueprint for West Cumbria providing supporting evidence.

1.4 This Employment Land Review (ELR) Update report represents an update to the West Cumbria Employment Land & Premises Study prepared by DTZ in December 2008. The three main objectives in undertaking the update are summarised below.

- Objective 1: To update the employment land supply position

1.5 Including a partial review and update of key sites and premises; taking into account the latest commercial market intelligence, the impact of public sector funding cuts, and emerging policy priorities such as the proposed Enterprise Zone at Lilyhall[1].

- Objective 2: To update and re-run the demand scenarios (including baseline and Nuclear New Build scenarios)

1.6 Including an update to the baseline assumed rate of economic growth as well as scenarios factoring in potential investment linked to the Nuclear New Build programme; drawing on the analysis of economic forecast scenarios presented within the Projections Paper.

- Objective 3: To establish future requirements factoring in Nuclear New Build and other investment proposals

1.7 Including analysis of the current land supply, assessment of the suitability of this supply to meet the needs of the growth sectors arising from the Nuclear New Build programme, drawing on the findings of the Nuclear Topic Paper, and other new markets identified in analysis of the economic forecast scenarios within the Projections Paper.

1.8 The full report structure is set out below:

Part 1: Updating the Employment Land Supply Position

- Section 2: Updating the Land Supply Methodology
- Section 3: Updated Land Supply Position

Part 2: Establishing Future Demand Requirements

- Section 4: Summary of the Economic Forecast Scenarios
- Section 5: Additional Trend Based Demand Scenarios

[1] NB: Subsequent to the commencement of this analysis West Cumbria failed in their bid for Enterprise Zone status at Lilyhall. As such therefore this is no longer a key consideration within the analysis. Allerdale Council intend to establish

- Section 6: Future Demand Requirements

Part 3: Supply / Demand Dynamic

- Section 7: Balancing Supply and Demand
- Section 8: Conclusions / Implications

a Local Development Order for land at Lillyhall which will effectively grant permitted development rights for certain forms of development on the site, which should encourage / speed up delivery. .

Part 1: Updating the Employment Land Supply Position

2. Updating the Land Supply Methodology

2.1 The 2008 ELPS considered existing and pipeline supply of sites and premises across West Cumbria including:

- Existing supply – consideration of the main employment areas in West Cumbria, the trends in total employment floorspace, the extent to which supply has been reduced by loss of employment land to alternative uses; and
- Pipeline supply – considering the supply of employment premises across West Cumbria by identifying developments under construction, with planning permission, and other emerging proposals for development.

2.2 In addition, the EPLS included a qualitative assessment of available land supply on allocated employment sites across West Cumbria. The qualitative assessment included desk-top compilation of data and information on the sites, appraisal against a series of criteria in line with Government guidance, and the preparation of a site database.

2.3 As part of the update to the ELR site visits have been undertaken to all of the sites included within the site database. The data held within the database compiled as part of the 2008 study has been updated to reflect the current position of the sites, including the identification of remaining development land on each site utilising monitoring data held by Cumbria County Council.

2.4 Sites which have been developed out or 'lost' to Non-B use class development since the completion of the 2008 study have been removed from the database.

2.5 Additional sites have been considered within the analysis, including the NuGen site adjacent to Sellafield, and Ginns Depot. These have been considered separately to the overall land supply position presented given they are not allocated sites. Further to these non-allocated sites that have been identified through liaison with the Council, the review of land availability identified sites that were not captured within the original EPLS, which have now been factored in. This includes the following sites:

- All 1F Lillyhall (infill site)
- All 24 South of A596, Prospect
- All 25 Land to south east of Abbeytown
- All 26 Land south of Carlisle Road

- All 27 Abbey Road (N side), east of Wheatsheaf Inn
- All 28 Land to north /east of Derwent Howe
- C32 Adjacent to call centre, Northshore
- NuGen site, adjacent to Sellafield
- Ginns Depot
- Marchon Site, Whitehaven
- Lillyhall / Distington

2.6 In addition, one site, All 2C Derwent Howe 2/170 has seen development since the previous ELPS and now has no land availability remaining which has been reflected in the analysis undertaken.

2.7 An update in relation to these three key components of the supply analysis is presented in the following section.

3. Updated Land Supply Position

Existing Supply

3.1 The following table summaries the total land supply available within key existing areas of employment (as defined within the original ELR) updated using current land availability information[2].

3.2 Available land supply in key employment sites is seen to have reduced over the period, reflecting development that has taken place on certain sites including: Lillyhall, Derwent Howe (Clayflats), and Whitehaven Commercial Park.

Figure 3.1: Key Existing Areas of Employment

Area / Site Name	Category	Available Area (2008) (Ha)	Currently Available Area (2010) (Ha)
Allerdale			
Lillyhall	Strat. and Local Employment	52.48	49.92
Derwent Howe (Clayflats)	Local Employment	6.04	1.54
Industrial belt between Workington and Maryport - St Helens Business Park - Risehow Business Park	Local Employment	2.23	2.23
South of Maryport - Glass Industrial Estate - Solway Industrial Estate	Local Employment	4.8	4.8
Derwent Mills, Cockermouth	Local Employment	1.43	0
Copeland			
Westlakes Science and Technology Pk	Business Park	24.66	27.96[3]
Whitehaven Commercial Park	Strategic	12.93	12.45
Sneckyeat Road Industrial Estate, Whitehaven	Local Employment	1.72	1.72
Bridge End Industrial Estate, Egremont	Local Employment	0.96 plus 2.9 extension	0.96 plus 2.9 extension
Leconfield Industrial Estate, Cleator Moor	Local Employment	5.28	2.47
Devonshire Industrial Estate, Millom	Local Employment	3	3

Source: 2008 ELR, 2010 Schedule 4 (Cumbria County Council)

[2] The updated land availability information has been obtained from a combination of the 2010 Cumbria County Council Schedule 4: Employment Land and Floorspace Assessment and consultation with Allerdale and Copeland Councils respectively.

[3] NB: Land supply has increased due to revised site areas / boundaries from 2008 study.

3.3 The latest commercial floorspace figures available at the time of writing (2008, an update from the 2007 figures used in the 2008 ELR) suggest growing total floorspace across all sectors within West Cumbria with the exception of factories, with a contraction in floorspace within this sector.

Figure 3.2: Change in Commercial Floorspace 1998 – 2008, 2003 – 2008

	1998 – 2008 Absolute Change	1998 – 2008 % Change	2003 – 2008 Absolute Change	2003 – 2008 % Change
West Cumbria				
Offices	54	50.0%	21	14.9%
Commercial	44	64.7%	16	16.7%
Other	11	28.2%	5	11.1%
Factories	-109	-10.6%	-29	-3.1%
Warehouses	75	24.1%	7	1.8%
Cumbria				
Offices	131	28.2%	55	10.2%
Commercial	104	33.2%	53	14.6%
Other	28	18.5%	1	0.6%
Factories	1	0.0%	42	1.8%
Warehouses	325	29.6%	122	9.4%
North West				
Offices	2624	28.6%	771	7.0%
Commercial	2581	37.3%	839	9.7%
Other	44	2.0%	-68	-2.9%
Factories	-5381	-14.4%	-3627	-10.2%
Warehouses	3669	17.5%	1033	4.4%

Source: ONS, Commercial and Rateable Floorspace Statistics, 2008

3.4 Data obtained from Focus (2011) suggests limited availability of office floorspace currently being marketed, including concentrations at both Lillyhall in Allerdale and Westlakes in Copeland.

3.5 There is noted to be a more significant supply of industrial floorspace (including manufacturing and distribution floorspace), although the majority of this supply is noted to be second-hand.

Pipeline Supply

3.6 Data obtained from Cumbria County Council (Schedule 4A) suggests the following sites have extant planning permission, by area (as of March 2010). According to the County Council extant planning permissions in Allerdale total just 0.36 hectares, and Copeland 32.13 hectares, with the majority in most cases permitting a combination of B Use class uses.

- Allerdale:
  Land off Strawberry How Road, Cockermouth: 0.04ha, B1a
  Glasson Industrial Estate, Maryport: 0.04ha, B1a, B1b, B1c, B2, B8
  Gray Street, Workington: 0.15ha, B1a, B1b, B1c
  Unit 3, Snape Road, Clayflatts, Workington: 0.04ha, B1c, B2
  7 Chapel Road, Derwent House, Workington: 0.09ha, B2, B8

- Copeland:
  Plateau 11, Westlakes Science & Technology Park: 0.24ha, B1b

  North Shore, Whitehaven: 0.29ha, B1a, B1b, B1c, B2, B8
  E2 Whitehaven Commercial Park, Moresby Parks: 12.45ha, B1a, B1b, B1c, B2, B8
  E5 Red Lonning Industrial Estate, Whitehaven: 0.6ha, B1a, B1b, B1c, B2, B8
  E17 Frizington Road Industrial Estate, Frizington: 0.92ha, B1c, B2
  E9 Bridge End Industrial Estate, Egremont: 0.96ha, B1a, B1c, B2
  E3 Haig Enterprise Park, Kells, Whitehaven: 0.2ha, B1a, B1b, B1c, B2, B8
  E1 Westlakes Phase 2, Moor Row: 16.47ha, B1a, B1b, B1c

Qualitative Assessment of Sites

3.7 The original ELR considered a total of 58 employment sites against a range of criteria grouped into: 'market attractiveness'; 'sustainable development'; and 'strategic planning'. The analysis resulting in the ranking of sites, and classification on this based as 'best performing', 'moderately performing' and 'lower performing' sites.

3.8 The update to the qualitative assessment of the sites has focused on the following key elements:

- Update to remaining available supply (hectares) based on consultation with Allerdale and Copeland Councils, and use of the Cumbria County Council Schedule 4A;

- Removal of sites which have been 'lost' to other development (including planning permission granted) (in all cases relating to residential development), including: C18 Furnace Row (4.2ha), C19 Station Yard (1.46ha), C20 Rowrah Station Yard Extension (0.86ha), all within the "lower performing" sites as classified in the 2008 ELR, and All 5 Lakeland Business Park (0.7ha) within the "best performing" sites as classified in the 2008 ELR;

- Inclusion of additional allocated sites not included in the original 2008 ELR including: C32 Adjacent to call centre, Northshore (0.29ha); All 24 South of A596, Prospect (0.58ha); All 25 Land to south east of Abbeytown (0.27ha); Land south of Carlisle Road, Kirkbride (0.2ha); Abbey Road (north side), east of Wheatsheaf Inn,

Abbeytown (0.38ha); and All 28 Land to north / east of Derwent Howe, Workington (0.22ha); and

- The undertaking of site visits to all of the sites on the refreshed site list (taking into account the previous three bullet points), with the purpose of providing an overall update to the positioning of the sites, and their sector potential to take into account within this update to the study. Sites that were recommended for de-allocation in the previous study remain in consideration within overall supply.

3.9 The following table summarises the headline comparison between supply as identified in 2008 and that identified in 2011. The total supply to be considered in this update at 187.55ha is 41.48ha less than in 2008 study, with the majority of this reduction (23.87ha) concentrated in Copeland. It is important to stress that these reductions do not wholly represent land lost to non-employment uses, but rather than they also reflect development that has been brought forward.

Figure 3.3: Comparison of Total Supply 2008/2011

	Total Supply 2011 Update (Ha)	Total Supply 2008 (Ha)
Copeland	88.00	111.87
Allerdale	99.55	117.16
West Cumbria	**187.55**	**229.03**

3.10 Each of the sites has been classified in terms of sector, as summarised on the table below. This analysis was not undertaken in 2008 and so no direct comparison is possible. Classifying the sites in this way, whilst a general indication of likely development on each, is a useful tool to compare with the demand analysis.

3.11 Within Allerdale the majority of supply is considered to be appropriate for general B Use Class development, with a limited supply of B1a development land. Within Copeland, whilst the supply profile is more balanced in terms of type of development considered suitable / likely it is recognised that the B1a supply is in itself skewed with nearly 28ha concentrated at Westlakes Science and Technology Park. Outside of this concentration of supply, further B1a development land within Copeland is generally concentrated in sites within Whitehaven town centre.

Figure 3.4: Supply by Use Class

	Total Supply 2011 Update (Ha)
Allerdale	
B1a	7.4
Mixed Use Employment (B Use Class)	91.13
Other (Non B Use Class employment)	1.02
Total	99.55
Copeland	
B1a	35.74
Mixed Use Employment (B Use Class)	52.26
Other (Non B employment)	0
Total	88.00

3.12 The classification of sites by Use Class has been indicatively mapped as circulated in draft format.

3.13 The site visits undertaken did not identify any material changes to the scoring and ranking of sites as presented in the 2008 ELR. The main comments added to the database relate to the market attractiveness of the sites. In many cases it is noted that sites have become less attractive to the market as a result of lack of investment over the period since 2008.

3.14 Scoring against the 2008 criteria has been undertaken for the additional sites included in the 2011 supply position, and sites have been removed from the database as identified previously. As a result the ranking of the sites has changed, as summarised below.

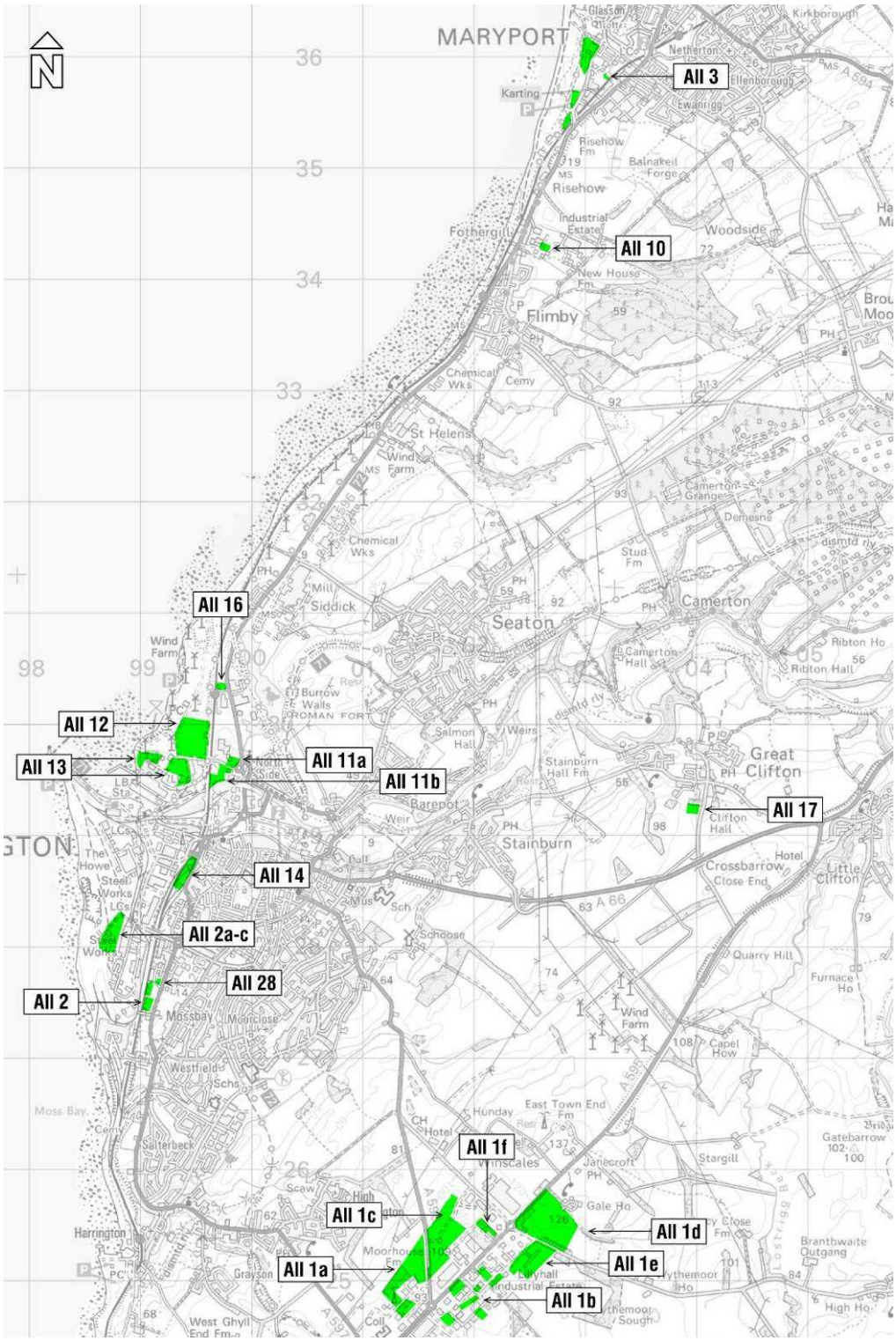
Figure 3.5: Total Site Supply Ranking

Ref	Site Name	Town	Overall % Score	Overall rank
C23	Bus Station and Garage	Whitehaven	80%	1
C22	Bus Depot and Old garage (WTC4)	Whitehaven	79%	2
C6	Bridge End Ind Park	Egremont	78%	3
All 2C	Derwent Howe 2/170		75%	4
C21	Quay Street Car Pk	Whitehaven	74%	5
All 1D	Lillyhall (sites)2/010 D	Workington	74%	5
C1	Westlakes S & T Pk		73%	7
All 1E	Lillyhall (sites)2/010 E	Workington	73%	7
All 5	Lakeland Business Pk	Cockermouth	71%	9
All 2A	Derwent Howe 2/011		71%	9
All 13	Port of Workington		71%	9
All 1C	Lillyhall (sites)2/010 C	Workington	70%	12
C14	Pow Beck	Whitehaven	69%	13
All 1B	Lillyhall (sites)2/010 B	Workington	68%	14
All 1F	Lillyhall (infill site)	Workington	68%	14
C3	Sneckyeat Road	Whitehaven	68%	16
C28	BT Depot	Whitehaven	68%	16
All 22	Maryport Harbour	Maryport	68%	16
All 1A	Lillyhall (sites)2/010 A	Workington	67%	19
C7	Bridge End Extension	Egremont	66%	20
All 14	Former Goods Yd, Derwent Howe	Workington	66%	20
C8	Leconfield	Cleator Moor	65%	22
C26	Jacksons Timber Yd	Whitehaven	63%	23
C25	Albion St (S)	Whitehaven	63%	23
C24	Albion St (N)	Whitehaven	63%	23
All 6	Derwent Mills	Cockermouth	63%	23
All 2B	Derwent Howe 2/152		63%	23
All 28	Land to north / east of Derwent Howe	Workington	63%	23
All 11A	Dock Road 2/124	Workington	63%	23
C5	Haig Enterprise Park	Whitehaven	63%	30
C29	Coach Rd	Whitehaven	63%	30
All 12	Oldside	Workington	63%	30
All 4	Dovenby Hall		62%	33
All 21	Syke Road	Wigton	62%	33
All 16	St Helens (opp Dunmail)	Siddick	61%	35
C32	Adjacent to call centre, Northshore	Whitehaven	61%	35
All 11B	Dock Road 2/154		60%	37
C30	Rear Main St	Egremont	59%	38
C27	Preston St	Whitehaven	58%	39
All 19	Aspatria Business Pk, Park Road	Aspatria	58%	39
All 3	Glasson Ind Est	Maryport	57%	41
C31	Market Square	Cleator Moor	56%	42
C11	Frizington Rd	Frizington	55%	43
All 10	Rise Howe Ind Est	Flimby	55%	43

C2	Whitehaven Commercial Pk		54%	45
All 23	Silloth Harbour	Silloth	53%	46
All 7	Low Road	Cockermouth	53%	47
C10	Cleator Mills	Cleator	48%	48
C4	Red Lonning	Whitehaven	48%	49
C19	Station Yard	Moor Row	48%	49
All 25	Land to south east of Abbeytown		48%	49
All 27	Abbey Road (N side), east of Wheatsheaf Inn	Abbeytown	48%	49
C15	Devonshire Road (E11)	Millom	46%	53
C13	Beckermet Industrial Estate		45%	54
All 8	East Causeway Head, Silloth Airfield	Silloth	45%	54
All 24	South of A596, Prospect	Prospect	45%	54
C12	Cross Lane	Seascale	43%	57
All 9	St Helens Business Pk	Flimby	43%	57
All 26	Land south of Carlisle Road	Kirkbride	43%	57
C18	Furnace Row	Distington	38%	60
C20	Rowrah Station Yard Ext		38%	61
C16	Mainsgate Road Ext	Millom	35%	62
C9	Leconfield Extension	Cleator Moor	32%	63
C17	Millom Pier	Millom	32%	63
All 17	Moor Rd	Great Clifton	29%	65
All 19	Annie Pit Lane (complete)	Workington	0%	66
All 15	Plot D Reedland Rd (complete)		0%	66

NB: For sites All 19 and All 15 there is no land remaining available resulting in a '0%' score.

Figure 3.6: Allerdale Site References



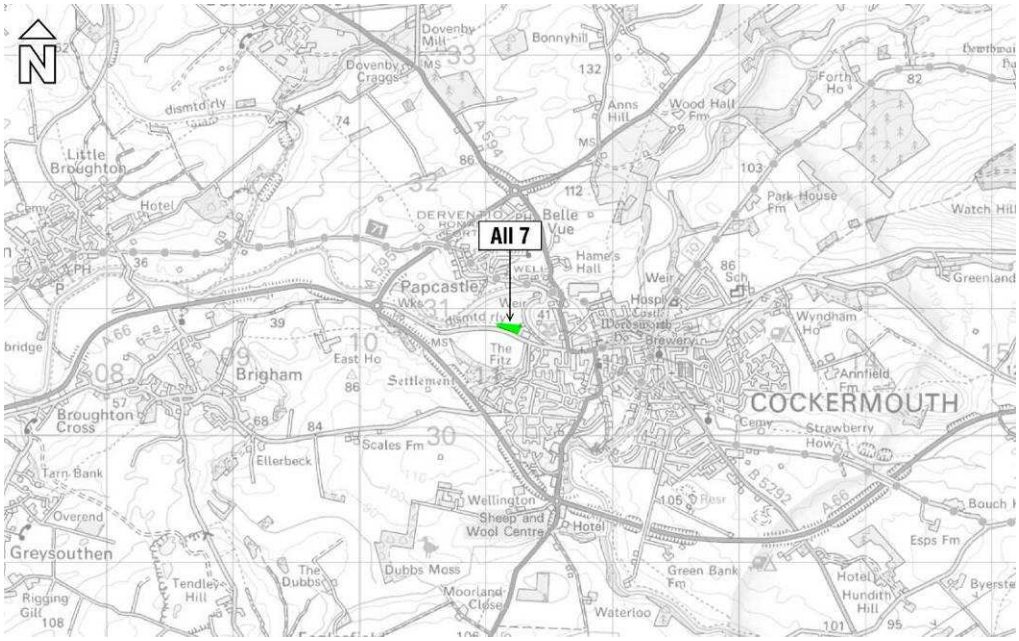
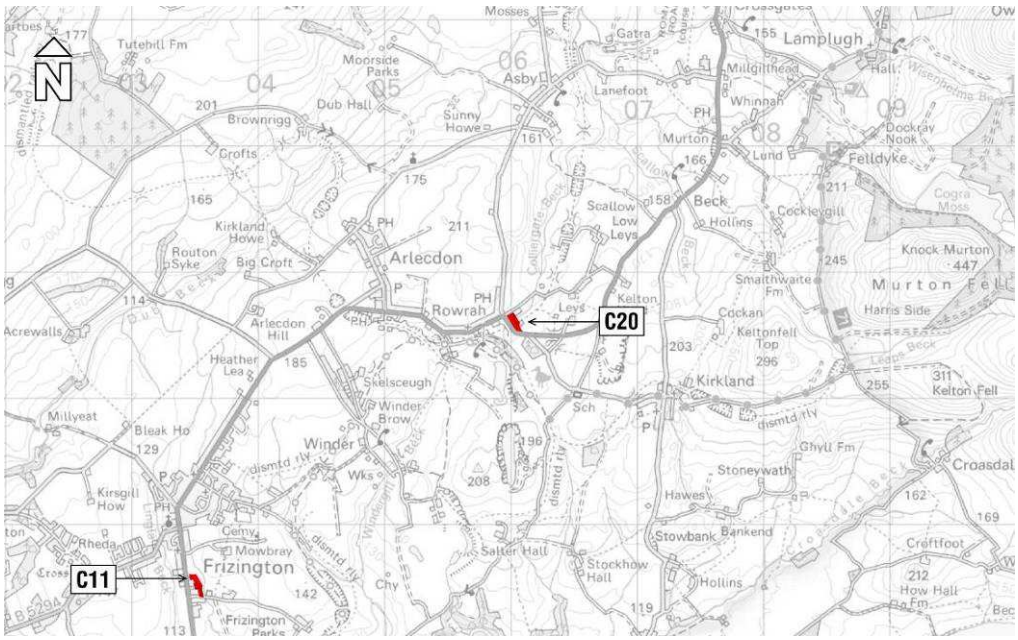
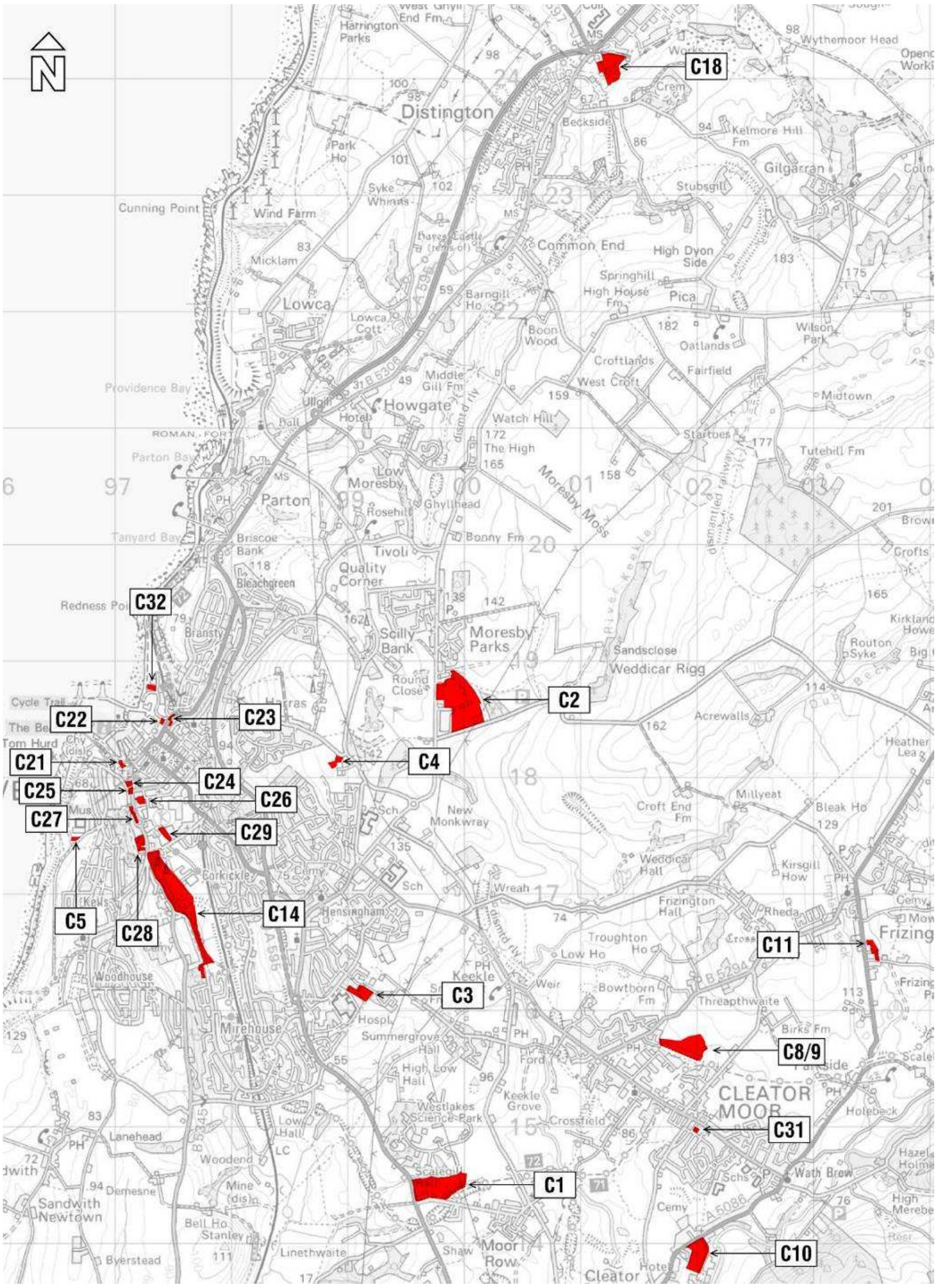


Figure 3.7: Copeland Site References

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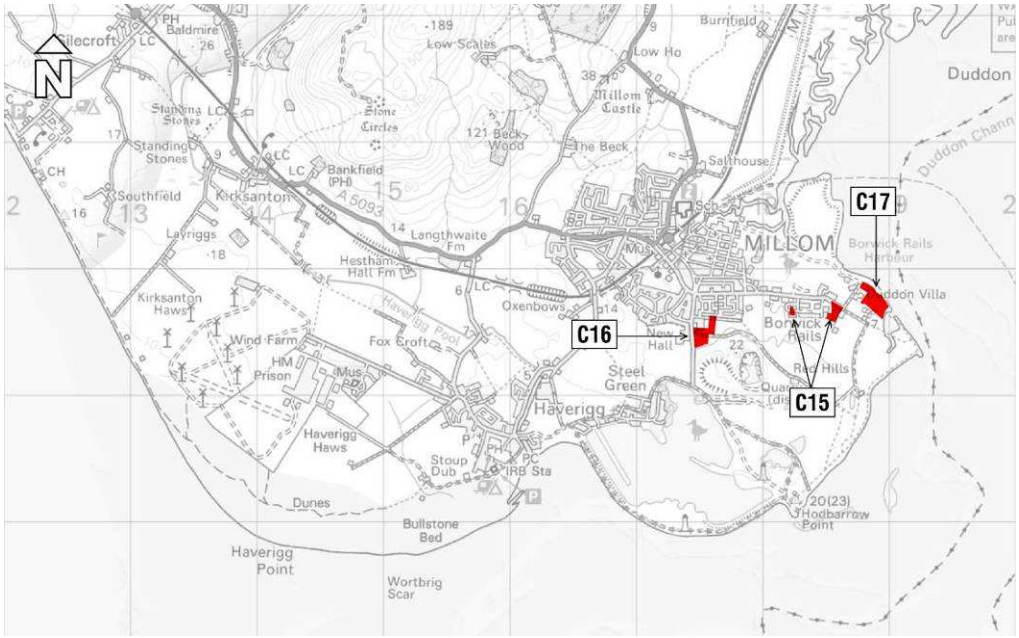
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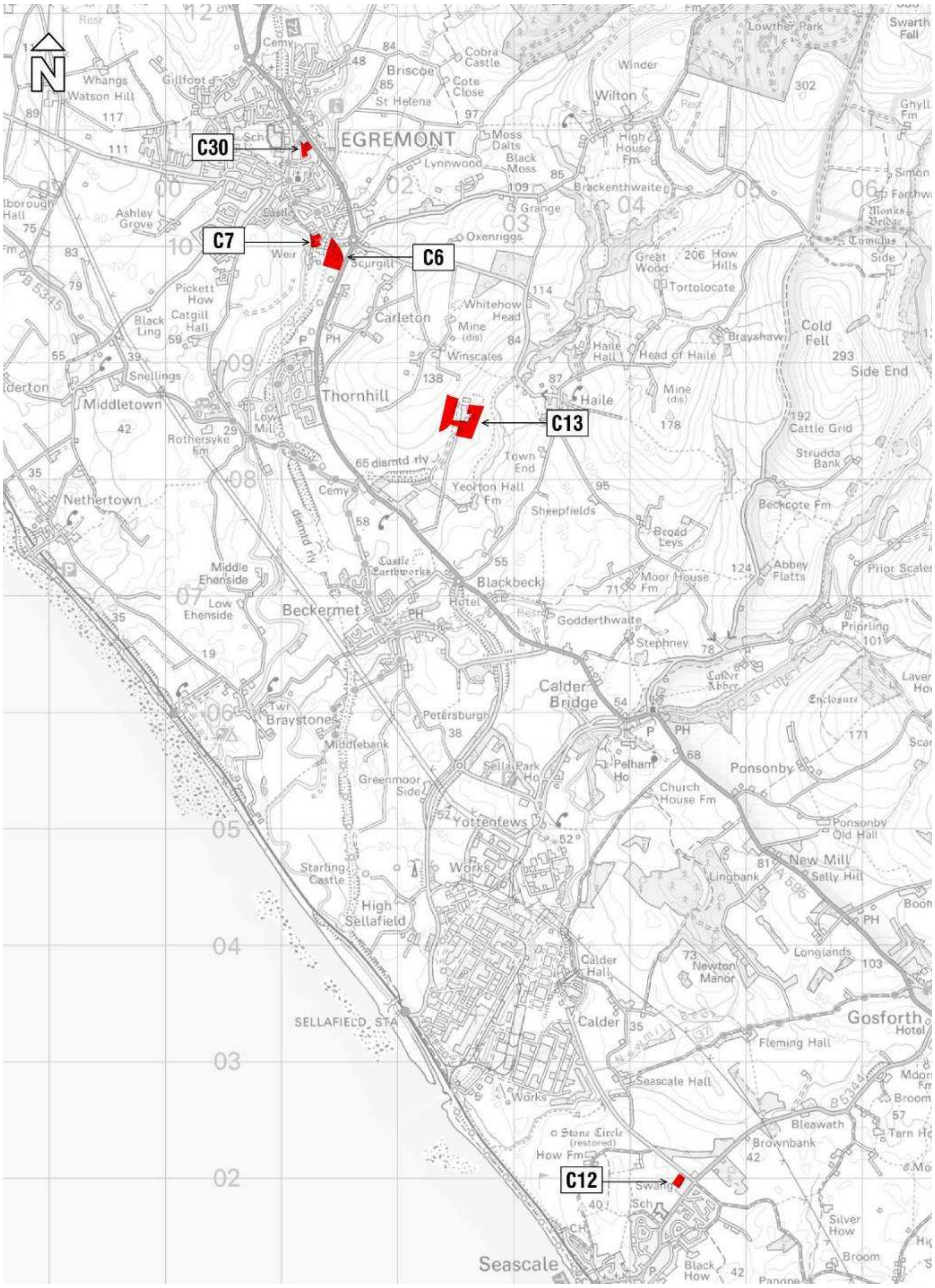
Oxenbows
New Hall
Wind Farm
Fox Croft
HM Prison
Haverigg Haws
Stoup Dub
Dunes
Bullstone Bed
Haverigg Point
Wortbrig Scar
Hodbarrow Point
Millom Castle
Low Scales
Low Ho
Burnfield
Salthouse
The Beck
Beck Wood
Stone Circles
Standing Stones
Bankfield (PH)
Baldmire
Duddon Villa
Red Hills
Duddon Chann



Consideration of Additional Land Supply

3.15 As noted (and listed) at paragraph 2.5, the analysis within this update to the ELR has included the consideration of employment sites not factored into the original ELPS. These sites have been visited as part of the update and scored and considered against consistent criteria to enable a qualitative consideration of their potential

contribution to economic growth. A short summary of each of the additional sites is included below, based on this qualitative assessment.

NuGen Site, Adjacent Sellafield

3.16 In October 2009 NuGen secured an option to purchase land on the West Cumbrian coast from the Nuclear Decommissioning Authority. The site, measuring approximately 200ha, is predominantly agricultural land. The whole site was acquired by NuGen but with the intention to only utilise circa 100ha of the site for development purposes.

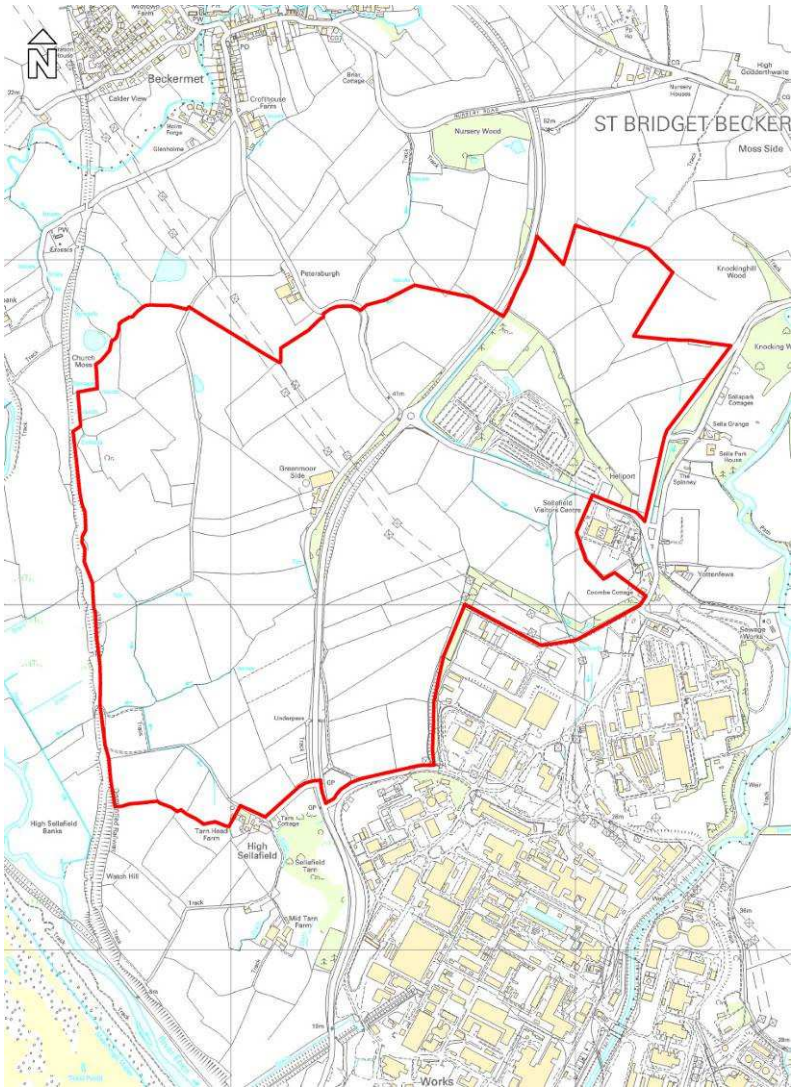
3.17 The site is recognised to be a 'Site for a Specific Occupier' with proposals being developed for a new generation nuclear power station of up to 3.6 GW. Engagement undertaken by GVA with Sellafield directly supported the view that there is very little capacity remaining on the existing Sellafield site for additional development.

3.18 Given the recognition that the development opportunity associated with this site is for a specific end user it has not been considered in the same way within the analysis in terms of its market attractiveness. The land supply has also therefore not been included within the overall available land supply figure as it would not be a market development opportunity.

3.19 More detail on the NuGen site is included within the Nuclear Topic Paper, prepared by SKM as part of the Core Strategy Evidence Base update. This includes recognition of the importance of decisions around the technology choices for the reactor in terms of land required, location (siting), construction and operation requirements.

3.20 A plan of the site is included for reference below.

Figure 3.6: NuGen Site Red Line Boundary



Ginns Depot

3.21 A 3ha site has been identified at the former Ginns Depot, on the edge of Whitehaven town centre which has the potential to deliver additional employment opportunities beyond the allocated land supply.

3.22 Various proposals have been considered for the site and a master planning exercise has been undertaken. The masterplan prepared for the site identified a shortage of high grade flexible commercial accommodation at various sizes, including specific opportunity for 'smaller office / industrial hybrid accommodation'.

3.23 There is an accepted view that development on the site will come forward as a mixed development incorporating an area that would include new industrial development.

The most significant barrier to delivery on the site is likely to be financial viability, more acute in the current market than at the time that the masterplan was prepared.

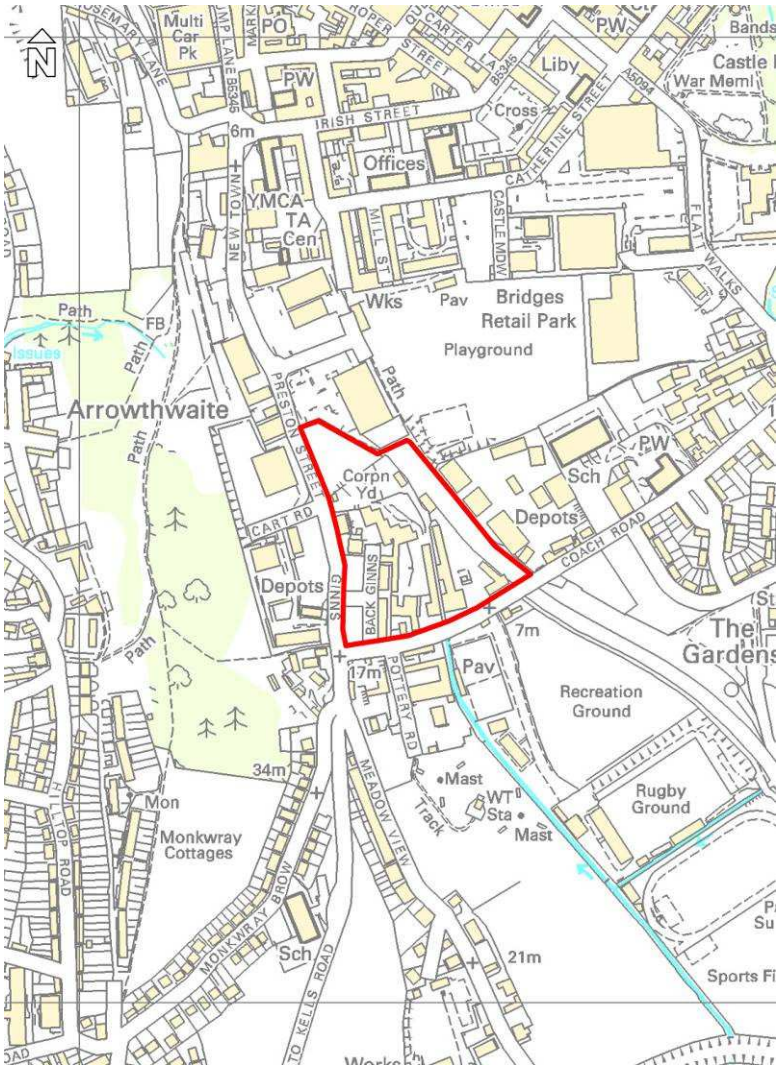
3.24 Enabling development, in the form of potential residential, retail or leisure uses (subject to other considerations including impact on the town centre), is likely to be required in order to facilitate the delivery of traditional B Use Class development on the site.

3.25 Delivery of development on the site is considered to be important to the wider ambitions for regeneration of Whitehaven, including specifically the potential to enhance a southern route into the town centre and bringing a derelict / underutilised site back into use.

3.26 The 3ha of land available at Ginns has not been included in the quantitative supply analysis but is factored into qualitative conclusions and recommendations drawn in relation to the balance between demand and available land supply over the plan period.

3.27 A plan of the site is included for reference below.

Figure 3.7: Ginns Depot Site Red Line Boundary



All F Lillyhall (Infill Site)

3.28 Site A1 F is an infill site within the wider Lillyhall strategic employment site. The site is seen to perform moderately well, with an overall score of 82 (68%), in line with the wider development opportunities at Lillyhall.

3.29 Lillyhall is an existing business location, with strategic employment potential including for office, logistics, advanced manufacturing and R&D development. The overall performance of the site is driven upwards by good performance against market attractiveness and strategic planning factors. However, its fairly isolated location restricts its score against sustainable development considerations within the analysis.

All 24 South of A596, Prospect

3.30 A total of 0.58ha of available employment land has been identified south of the A596 within the settlement of Prospect. The site is noted to perform poorly overall, with a score of just 54 (45%) putting it within the lowest performing grouping of sites across the sub-region, and within Allerdale more specifically. The site is considered to be appropriate for general B1 and B2 employment uses.

3.31 The site scores particularly poorly against the market attractiveness and strategic planning criteria, in both cases identified to be within the lowest performing sites across the sub-region. It is considered within the review to have restricted market appeal due to its fairly isolated location (including proximity to only a minimal local population catchment within Prospect), and its limited scale. The site is noted to have limited ability to contribute to wider regeneration aspirations given scale, sector appeal, and location relative to demand drivers.

3.32 Its isolated location also restricts the performance of the site against sustainable development criteria, including specifically limited public transport provision, limited accessibility by foot and bicycle given its location, and small local workforce catchment.

All 25 Land to south east of Abbeytown

3.33 A total of 0.27ha of development land is allocated for employment development on a site to the south east of Abbeytown. The scoring assessment for the site identifies it as performing moderately against the majority of the criteria established.

3.34 The characteristics of the site and its location define its local employment potential, including its scale which restricts wider potential. The performance of the site is also affected by identified on site development constraints, influencing its availability and viability of potential B Use Class employment development on the site over the plan period.

3.35 The site is identified to have general B1, B2 employment potential with limited potential for wider commercial opportunity.

All 26 Land South of Carlisle Road

3.36 The 0.2ha of land identified to the south of Carlisle Road is noted to perform poorly in terms of its overall score and ranking against the rest of the site supply across the sub-region.

3.37 As with the previous site, All 25, the potential of this site is clearly linked to its contribution to local employment opportunities. In sectoral terms the site is considered

to be most appropriate for B1, B2 uses. Its scale, at just 0.2ha, restricts its potential to deliver a critical mass of employment development, or attract major investment. As a result market appeal and viability are major challenges. The site is also considered to be fairly isolated with limited alignment with sustainability and strategic planning factors.

All 27 Abbey Road (North side) east of Wheatsheaf Inn

3.38 A total of 0.38ha of land is available off Abbey Road to the east of the Wheatsheaf Inn, within the centre of the small settlement of Abbeytown. The sites overall performance against the assessment criteria reflects both its small scale and relatively isolated nature away from any major market drivers (e.g. strategic road and rail connections).

3.39 The site is identified to be a local employment site, appropriate primarily for B1 uses (most likely B1c). Importantly however demand is assumed to be fairly low for the site due to the size of the settlement, and connectivity and access. The site scores poorly in terms of its fairly isolated location, access to public transport (which is limited), although it is recognised that the site is within the heart of the Abbeytown settlement.

All 28 Land to North East of Derwent Howe

3.40 All 28 is located to the north east of the Derwent Howe employment sites (All 2A – C) in the south of Workington. A total of 0.22ha is available on the site. Given the proximity of the site to Derwent Howe, All 28 performs similarly against most of the criteria within the site to the larger allocations. With an overall moderate performance and ranking emerging from the assessment.

3.41 Derwent Howe is recognised to be an established business location, which is generally successful. It is fairly well located in terms of accessibility within Workington, off the A597. The All 28 site has the same score and ranking as the Derwent Howe site, but is recognised to have more local investment appeal given its smaller scale, slight separation from the main allocation, and lack of main road frontage.

C32 Adjacent to call centre, Northshore

3.42 A total of 0.29ha of land is available for employment development adjacent to a relatively new call centre development within walking distance of Whitehaven town centre and train station. The site is flat, and appears to be used for overspill car parking.

3.43 The site scores well in terms of sustainable development and strategic planning, in recognition of its relatively central location and effectively being development ready. Whilst it is proximate to the centre and the railway station, its visibility is fairly poor given

it is not located on a key road / route and landscaping / embankments restrict visibility from the railway line. This is reflected in the scores attributed to the site for market attractiveness criteria.

3.44 Overall the site scores and is ranked as a moderately performing site, and is identified to have B1 development potential over the plan period.

Marchon Site, Whitehaven

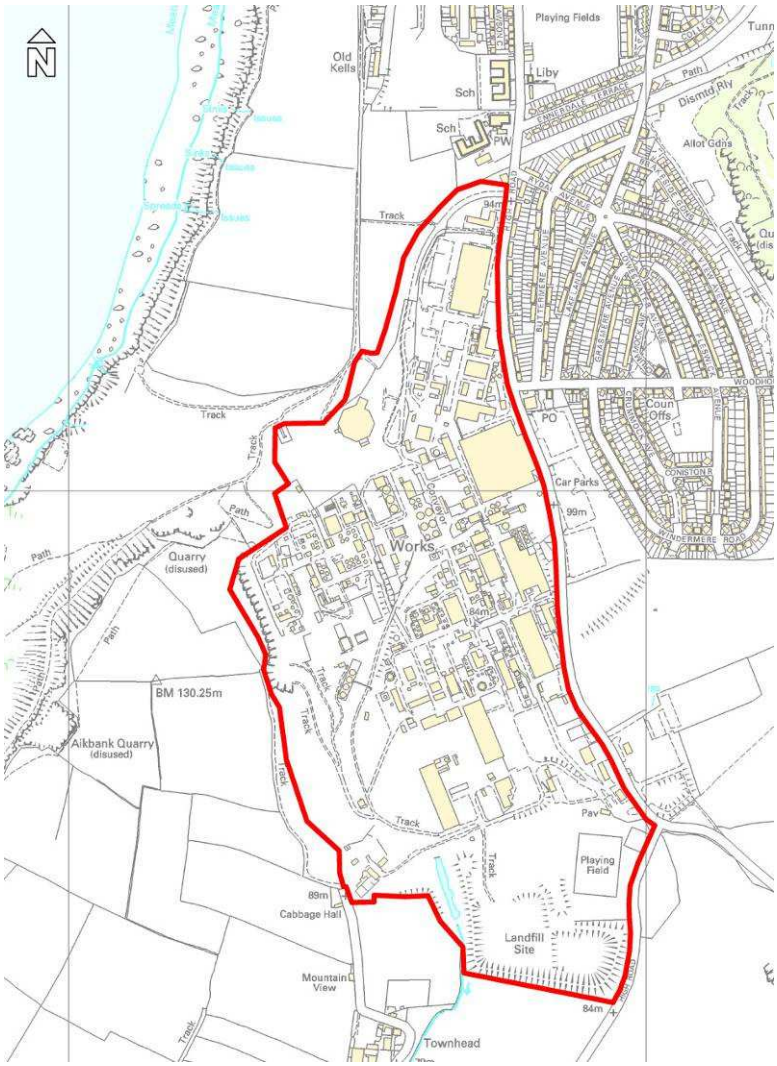
3.45 The site of the fomer Marchon chemical works to the south of Whitehaven town centre is identified within the Saved Local Plan policies as an employment opportunity site. Employment opportunity sites were identified on the basis of having suitability for a wide range of employment uses but with potential also for non-employment use.

3.46 There remains on the site an uncertain legacy of contamination as a result of the previous uses on the site, including former detergent manufacturing. The site also has uncertain development potential as a result of environmental sensitivities given its coastal location.

3.47 Considering the uncertainty surrounding the site including development constraints associated with potential contamination and environmental considerations, and a wide-range of potentially suitable end uses, it has not been considered as potential employment land supply within this ELR update.

3.48 A plan of the site is included for reference overleaf.

Figure 3.8: Marchon Site Red Line Boundary



Lillyhall/ Distington Disintegrator

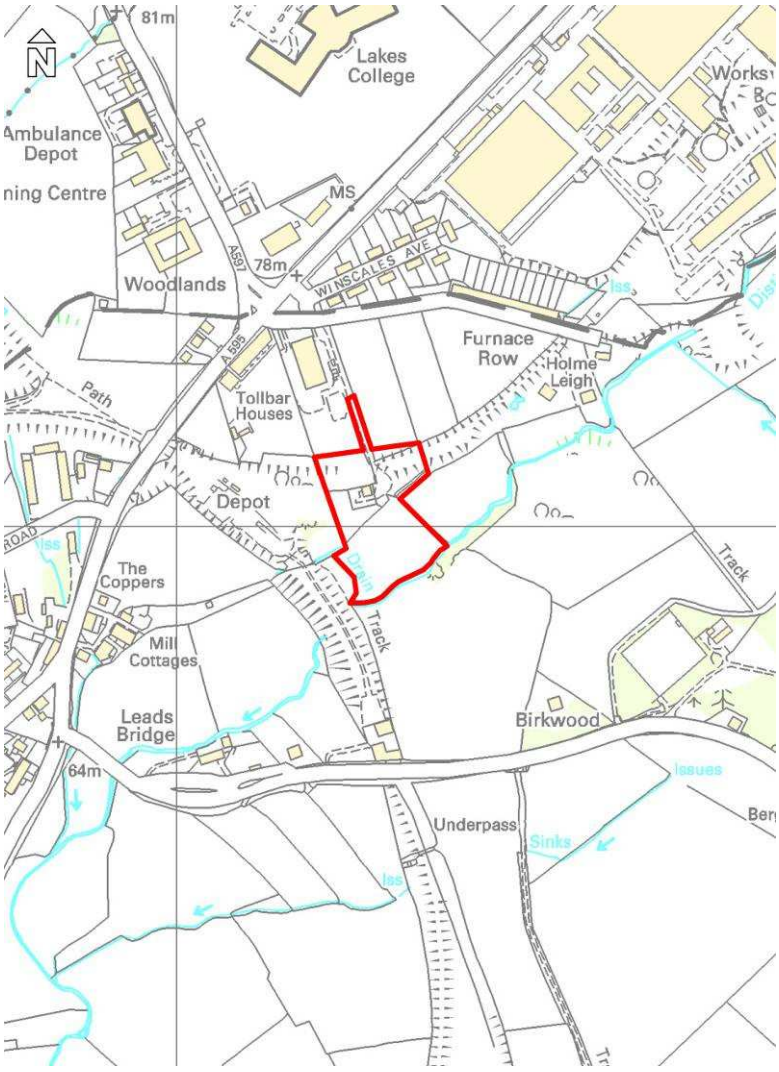
3.49 United Utilities (UU) own a circa 1.3 hectare site proximate (although not adjacent) to the wider Lillyhall allocation, off the A595. The site is currently agricultural land, with no specific development constraints noted beyond lack of utilities. The site is generally undulating, with access in place from the north although investment may be required to widen this access point if development is ever brought forward on the site.

3.50 As noted at Paragraph 3.31 in relation to an infill site at Lillyhall, it is an existing business location, with strategic employment potential including for office, logistics, advanced manufacturing and R&D development. The overall performance of the site is driven upwards by good performance against market attractiveness and strategic planning factors. However, its fairly isolated location restricts its score against sustainable development considerations within the analysis.

3.51 This UU owned site is proximate to Lillyhall but further isolated from the location, limiting its attractiveness to the market. It is not identified to be an extension opportunity for Lillyhall.

3.52 A plan of the site is included for reference below.

Figure 3.9: Lillyhall / Distington Disintegrator Site Red Line Boundary



Part 2: Establishing Future Demand Requirements

4. Summary of the Economic Forecast Scenarios

Background

4.1 The ELR Guidance Note requires the calculation of land requirements over the plan period based on the selection and application of `suitable forecast models / demand analysis'. It identifies three broad methodologies as a basis for this analysis, including:

- Regional and sub-regional sectoral economic and employment forecasts and projections (`labour market demand techniques');
- Demographically derived assessment of future employment needs (`labour supply techniques'); and
- Analyses based on the past take-up of employment land and property and/or future property requirements.

4.2 The original ELPS included analysis of the following methods for estimating demand across West Cumbria:

- Historic trend analysis:

Consideration of: development rates, indicating developer demand; transactions indicating occupier demand; and enquiries indicating occupier demand.

- Employment projections

Consideration of: baseline scenario; accelerated growth scenario; and aspirational scenario.

4.3 The analysis undertaken as part of this update includes consideration of the latest position regarding historic trend analysis (detailed in the following section) and revised employment projections, as summarised below and considered in more detail within the Projections Paper.

4.4 At the outset of the research process it was agreed that a series of bespoke economic forecasts would be developed to underpin the programme of work being undertaken, including this ELR update. These bespoke forecasts supersede all previous economic forecasts and scenarios covering West Cumbria.

4.5 All of the scenarios have been developed by Experian UK alongside Cumbria County Council including engagement with representatives from Allerdale and Copeland Councils, Cumbria County Council, Sellafield Ltd, and Britains Energy Coast.

Factoring in Sellafield

4.6 The three forecast scenarios presented within the remainder of this section all include job created / lost at Sellafield and specific to the NuGen site. Employment levels (existing) and future employment change projected at Sellafield is identified to be a 'special case' within the ELR update. Specifically there is a need to factor into the approach taken in calculating demand the need to remove one of the biggest economic drivers directly given its specific and unique land requirements.

4.7 For the purposes of this update to the ELR it is important to recognise that these changes in employment levels cannot be directly (quantitatively) linked to wider demand or potential release of employment land across the wider West Cumbria area, outside of Sellafield and the NuGen site.

4.8 In order to appropriately take this employment factor into account within the calculations, Experian have produced specific on-site figures relating to all three scenarios. They have also identified the impact of job numbers split between the Allerdale and Copeland economies.

4.9 These are considered in more detail within the *Projections Paper: Projecting Employment and Housing Change*, which considers the estimated change in FTE employment across the key sectors directly associated with Nuclear activity at Sellafield under each of the three scenarios. The impact of FTE employment change linked directly to Sellafield on the wider West Cumbria economy, and specifically the resulting land requirement implications are considered in more detail within Section 6 of this report.

Summary of Economic Scenarios

4.10 The *Projections Paper: Projecting Employment and Housing Change*, primarily focuses on two thematic areas of analysis:

- Economic projections: presentation of three economic forecast scenarios developed through the research. The forecasts are bespoke to the LDF evidence base update, and draw upon information from the Nuclear Topic Paper as well as the socio-economic baseline; and

- Population / household projections: a number of population projections are presented, with links made to the economic projection where appropriate. These population / household projections underpin the Strategic Housing Market Assessment reports prepared for the two Local Authority's.

4.11 Section 3 of the Projections Paper presents the economic scenarios, focusing on key economic indicators including: total employment; employment by industrial sector; Gross Value Added (GVA); and employment by occupation.

4.12 Three scenarios have been developed as part of the update exercise, as summarised below. The forecasts have been signed-off through the research process by the Project Group which includes representatives from Allerdale and Copeland Councils, Cumbria County Council, Sellafield Ltd and Britain's Energy Coast. All of the scenarios have been developed by Experian UK alongside this Project Group.

Scope of Scenarios

4.13 As noted in the previous paragraph, three scenarios have been prepared to underpin the update to the LDF evidence base. A summary of the scope of the three scenarios is outlined in the following bullet points. More detail on the background to the three scenarios is presented within the Projections Paper.

The Baseline Scenario

4.14 The baseline scenario has been built using a number of important datasets including: the latest Experian UK forecasts for Allerdale and Copeland; inputs and alterations from Economic Developments from the authorities to adjust individual sector projections (based upon a series of workshops held in January 2011); and the Workforce Plan information supplied by Sellafield UK Ltd.

4.15 The Experian UK forecasts consider the latest macro-economic forecasts for the UK alongside a moderated position shaped by local economic development officers and importantly the Sellafield Lifetime Plan (September 2011). This includes a headline total employment and GVA trend-based picture, and a business sector outlook for the West Cumbria and local authority economies.

4.16 Key modifications taken into account through consultation with local economic development officers within the baseline scenario include:

- Adjustments to the fuel refining sector based on assumptions about decommissioning and nuclear new build, which have subsequently been superseded by the inclusion of the latest Sellafield Lifetime Plan information and Nuclear New Build Scenario; and

- County-level sector adjustment assigned to districts within Cumbria based on each district's baseline proportion of employment in each adjusted sector. Adjustments were made across 7 sectors: Public administration and defence, Education, Construction, Gas, electricity and water, Hotels and catering, Transport, and Transport equipment.

4.17 The direct impact of nuclear decommissioning at Sellafield was taken into account through the integration of the Sellafield Lifetime Plan, including specific impact on the Fuel refining, Construction, and Business services sectors respectively.

Nuclear New Build Scenario

4.18 This scenario is built around the assumption that a new Nuclear facility is delivered adjacent to Sellafield by NuGen Ltd. The development of the scenario has drawn on the findings of the Nuclear Topic Paper including the anticipated impact of Nuclear New Build.

4.19 The scenario includes some key assumptions around nuclear new build, as summarised below:

- Two nuclear reactions will be built in West Cumbria;
- Commencement of new build in 2016, with full operation by 2026 inclusive;
- Peak employment of 4,000 FTE's in 2022, with an annual average employment figure of almost 2,000 FTE's; and
- Nuclear new build jobs are split across 4 sectors including: Construction (with a peak of 2,000 FTE's in 2020); Engineering (with a peak of around 1,800 FTE's between 2022 and 2023); Business services (with a peak of almost 700 FTE's in 2022); and Fuel refining, which is the operational employment for the new reactors (peaking at the end of the period as both reactors become operational at almost 1,000 FTE's).

Nuclear Investment Scenario

4.20 There is recognised potential for wider additional development by the nuclear industry in West Cumbria beyond the direct employment potential associated with nuclear new build adjacent to Sellafield.

4.21 Some of this investment is directly dependent upon new build, some is loosely connected, and some operates separately. All reasonable nuclear projects, determined in consultation with Sellafield Ltd, have been included within the scenario. Projects not included within the scenario have been omitted primarily based on

uncertainty around their delivery although it is recognised that they could have a major economic impact and could be factored into future iterations of the scenario.

4.22 Projects have been considered additional to the new build figures – i.e. this scenario is a 'new build plus' calculation.

Findings of Economic Scenarios

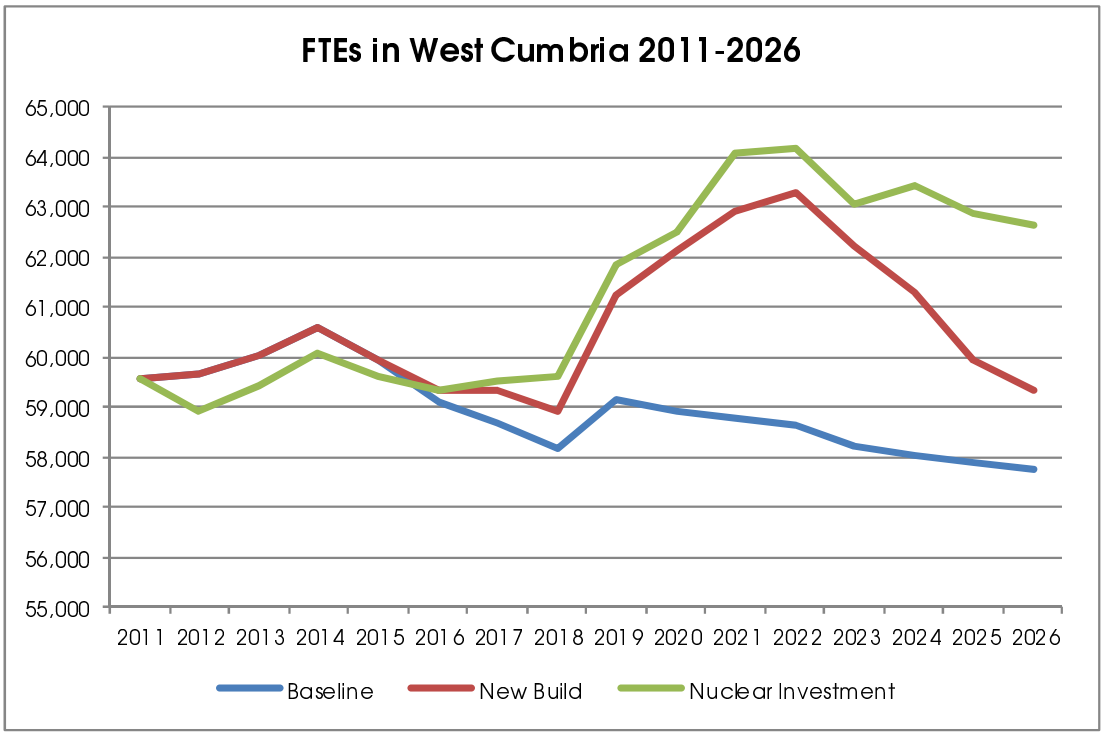
Headline Findings – Employment

4.23 Under the baseline scenario, West Cumbria is projected to lose circa 1,800 FTE's by 2026 (3.1% of the workforce). Under the new build scenario, employment at the end of the period is similar to the start, but there is a period in-between of significant short term employment growth during the construction phase.

4.24 Under the nuclear investment scenario, there is an initial fall in employment due a specific project involving the closure of a facility. The mid-term pattern of employment is noted to be similar to the new build scenario, but employment levels are maintained more strongly within this scenario. The number of FTE's is 3,000 (5.2%) higher at the end of the period under the third scenario than at the start.

4.25 The majority of the impact of the scenarios, in FTE terms, relating to new build and other nuclear investment occurs in Copeland because the majority of the jobs are at the Sellafield site. However, there are noted to be some supply chain effects in Allerdale including noted slight growth in employment forecast over the period, even under the baseline scenario mainly linked to growth in the service sector.

Figure 4.1: Forecast FTEs in West Cumbria under the three economic scenarios

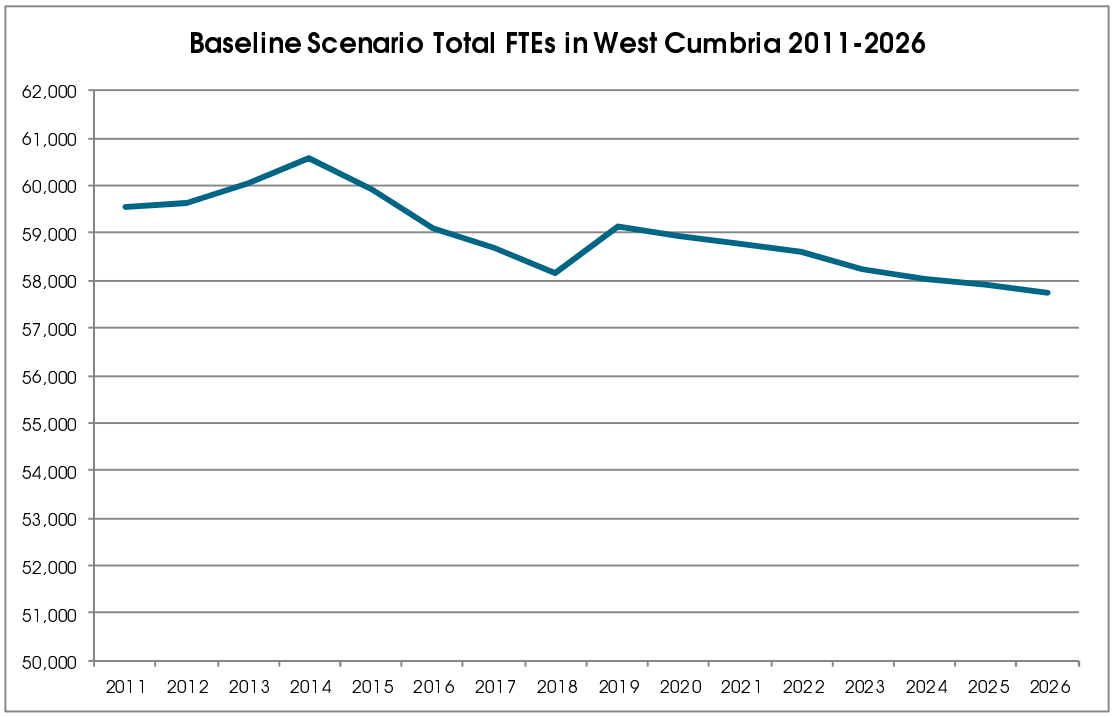


Source: Experian, 2011

Baseline Scenario

4.26 Total FTEs in West Cumbria stands at 59,600 in 2011, forecast to increase slightly to 2014 before dipping to 58,000 by 2018. Short term recovery to 2019 is noted, driven by increased sub-contractor activity at Sellafield, before falling to 57,700 by 2027. The overall decline in FTEs over the period 2011 - 2026 is 1,800, a contraction of 3.1%.

Figure 4.2: Baseline Scenario Total FTEs in West Cumbria 2011 - 2026



Source: Experian, 2011

4.27 The comparison of change in total FTEs between Allerdale and Copeland presents an interesting picture.

4.28 Allerdale is forecast to experience a general upward trend in FTEs over the period, growing from 33,007 FTEs in 2011 to 34,352 in 2026. There is a dip in employment between 2017 and 2018, increasing to a high point in 2022 of 34,629.

4.29 Conversely the trend in Copeland is one of a general contraction in FTEs from 26,566 to 23,384 in 2026. Aside from an initial peak in 2014, with a high point of 26,739 FTEs (driven by decommissioning activity), and a further peak in 2019 of 24,768 FTEs, there is a projected year on year drop in FTEs within the economy.

4.30 The largest sector in FTE terms within West Cumbria is Fuel refining with 9,100 FTEs in 2011, followed by Health (5,700), Agriculture (5,300), Construction (5,000), and Retail (4,500). Collectively these five sectors comprise 50% of all FTEs within the sub-region.

4.31 Under the baseline scenario FTE employment in Fuel refining is forecast to fall by 2,100 (23.1%), Construction by 1,700 (34.7%), and Business services by 1,000 (32.4%), in each case primarily driven by changes at Sellafield, although the construction sector is

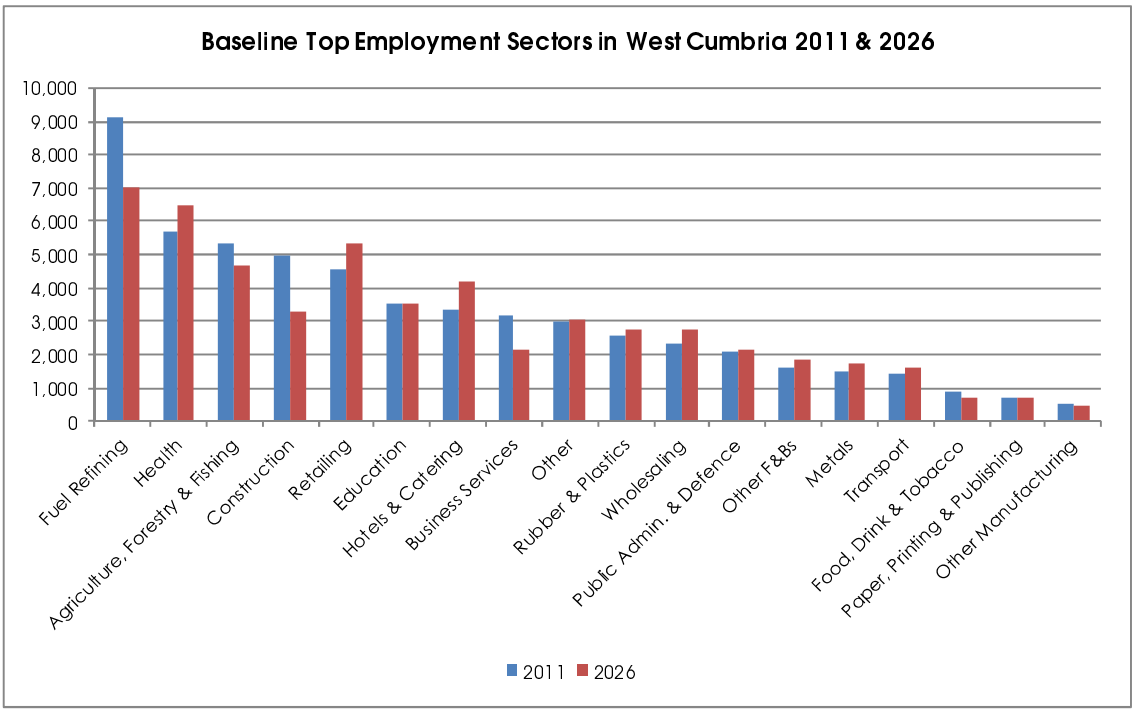
under pressure more generally and is forecast to contract in areas unrelated to nuclear activity.

4.32 There is forecast to be growth in FTE terms within several service sectors across West Cumbria including primarily within the Hotels and catering sector (850) (25%), the Retail sector (800) (17.1%), and Health (750) (12.9%).

4.33 Employment within Copeland is dominated by employment within the nuclear industry, which in turn is dominated by employment within the Fuel Refining, Construction, and Business Services sectors. As noted previously, the baseline scenario suggests forecast losses in FTE employment across these sectors, with most pronounced losses between 2016 and 2021 within the Fuel refining sector and 2011 to 2016 and 2021 to 2026 in Construction. Forecast growth in FTE employment within the Health, Retailing, and Hotels and catering sectors are insufficient to off-set the losses associated within the nuclear industry within Copeland under the baseline scenario.

4.34 Allerdale is noted to have a fairly even distribution of employment across a number of sectors, with forecast growth in the Retailing, Health, and Hotels and catering sectors respectively over the period 2011 to 2026 under the baseline scenario, with a forecast decline in Agriculture and Construction respectively, with relative stability in other sectors within the economy.

Figure 4.3: Baseline Scenario Top Employment Sectors in West Cumbria 2011 and 2026

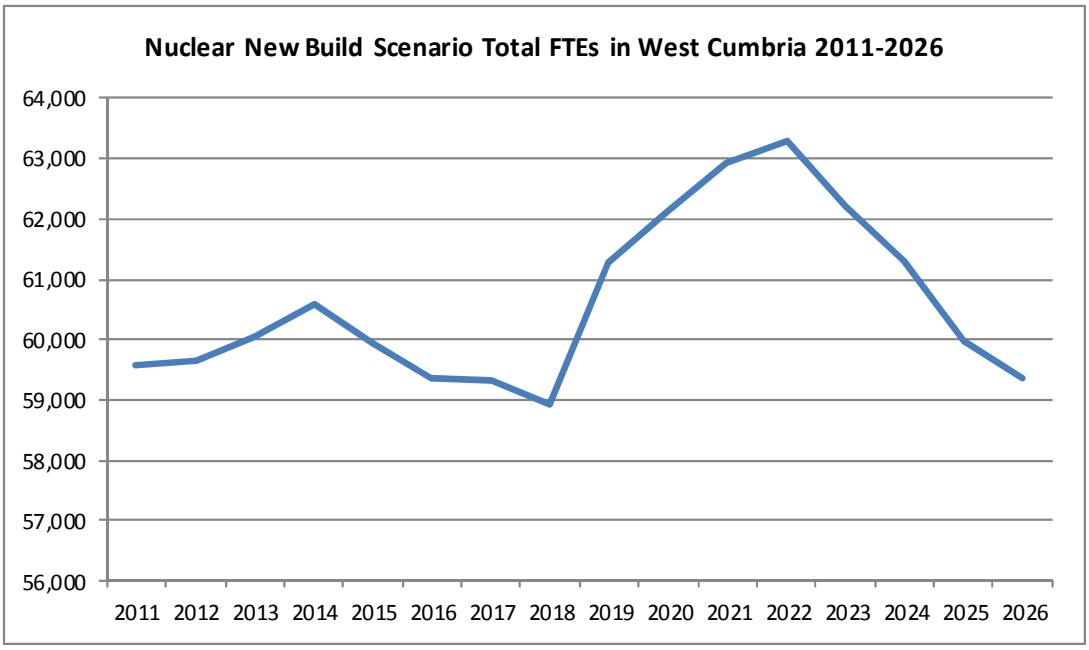


Source: Experian, 2011

Nuclear new build scenario

4.35 Total FTE employment in West Cumbria ends the period 2011 to 2026 at a similar level to that recorded at the start, but with noted major fluctuations within the period under the nuclear new build scenario. Initial growth in FTE employment to 2014 is noted, before a significant drop to a low of 59,000 in 2018, driven primarily by losses in Copeland over the period.

Figure 4.4: Nuclear New Build Scenario Total FTEs in West Cumbria 2011 - 2026



Source: Experian, 2011

4.36 Following 2018 there is a notable period of steep growth, underpinned by increases in both the Copeland and Allerdale FTE position, and particularly by the new build construction period (direct employment in Copeland, supply chain benefits in Allerdale), growing the sub-regional economy to a peak of 63,000 FTE in 2022, before falling back to 59,350 by 2026.

4.37 The trend in employment in Copeland under this scenario clearly heavily influences the trend forecast in the overall West Cumbria economy with more pronounced fluctuations including decline during the first half of the period driven by decommissioning. This is followed by a period of steep growth to 2021, with employment peaking at 27,400 FTEs before reducing to 24,800 as the construction phase comes to an end. By 2026, FTEs are 6.7% lower than in 2011 (compared to 12% lower in the baseline scenario).

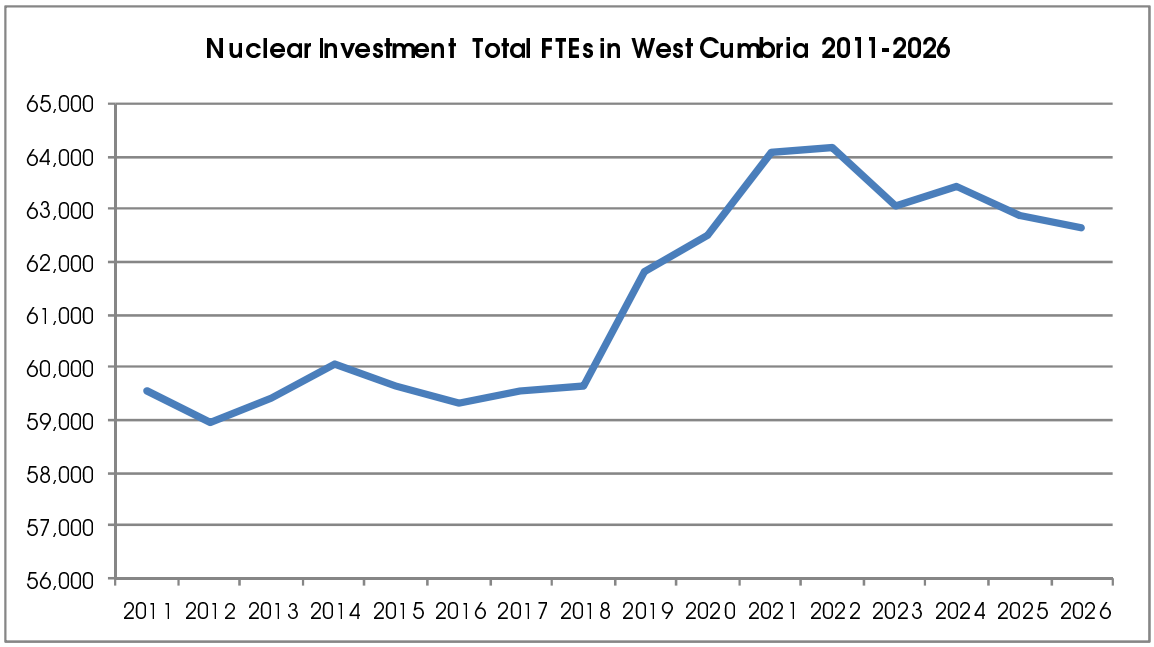
4.38 At sector level, within Allerdale the employment peak during the latter half of the period is driven by FTEs within the Construction sector, and in Metals & Engineering (with strong links to construction related engineering jobs). Allerdale is also forecast to experience a boost to employment in the Business services sector before it falls back by 2026.

4.39 Key trends by sector in Copeland under the new build scenario include falls in Fuel refining but not as pronounced as within the baseline scenario. Construction employment increases during the period in general, although it drops off by 2026, with Metals and engineering also experiencing a major boost albeit only within the medium term, returning to 'normal' levels by 2026.

Nuclear investment scenario

4.40 Under the nuclear investment scenario, there is an initial decrease in employment largely due to the inclusion of a project involving the closure of a plant within this scenario, with the major impact hitting in 2012.

Figure 4.5: Nuclear Investment Scenario Total FTEs in West Cumbria 2011 - 2026



Source: Experian, 2011

4.41 The dip in employment seen within the baseline and the nuclear new build scenarios around 2014-16 is less pronounced under this scenario as other projects coming on-stream absorb some of the losses identified. This is followed by a period of sustained growth between 2018 and 2022 including a number of projects with direct additional

FTE employment. The period 2022 onwards is forecast to experience a slight decline in FTEs but not as pronounced as under the new build scenario.

4.42 The forecast FTE employment trend for Allerdale under the nuclear investment scenario generally mirrors that forecast under the nuclear new build scenario, suggesting little direct impact of planned projects within the authority area. By 2026 under the nuclear investment scenario FTEs in Allerdale are forecast to be 5.6% higher than in 2011, compared to 4.7% under the new build scenario and 3.1% under the baseline.

4.43 The forecast for Copeland is a little more varied, although the impact of the project within the FTE numbers results in the peaks and troughs noted within the nuclear new build scenario being less pronounced under this scenario. In particular, under this scenario, there is noted to be a more notable retention of jobs towards the end of the period with total FTEs in Copeland by 2026 4.6% higher than in 2011.

4.44 At sector level, growth in Allerdale is particularly noted within the Construction and Metals and engineering sectors, alongside a boost to employment in the Business services sector under this scenario. In addition, as within the other two scenarios, the Retailing, Health, and Hotels and catering sectors are projected to grow in FTE terms under this scenario within Allerdale.

4.45 Within Copeland, FTE employment within Fuel refining falls initially under this scenario before recovering in the final part of the forecast period as other nuclear projects come on-stream generating additional employment opportunities. Under this scenario there is also a more apparent and sustained boost to the Construction and Metals and engineering sectors.

5. Additional Trend Based Demand Scenarios

5.1 As a starting point for the calculation of employment land requirements across West Cumbria over the plan period, it is relevant to consider the current performance of the commercial property market, focusing on the traditional employment activities of office, factory, and warehousing uses.

5.2 This analysis, updated from the original ELPS and documented within the remainder of this section provides an understanding both of past 'on-the-ground' employment development (including the consideration of land development take-up rates and market indicators including rental values and occupancy levels) as a quantitative trend based analysis to complement that undertaken associated with econometric forecasting, and a qualitative understanding of the dynamics of employment development and demand across West Cumbria.

5.3 It is specifically important to note that whilst the econometric forecasting analysis provides a headline understanding of the likely size and structure of the economy over the plan period, the consideration of market strength and trends, and particularly commercial distinctions within the trends, it is possible to understand local dynamics below local authority level to inform planning policy development.

Property Market Context

National Context

5.4 The global economic downturn has been a key driver of the national property market since 2007 when a crisis in the international banking system led to a global 'credit crunch' and a national recession. The availability of finance contracted which impacted on businesses at a national scale. As a result levels of demand fell, affecting developers, investors and occupiers.

5.5 The GVA Economic and Property Market Review Q4 2011 reports that the UK economy strengthened in the 3rd quarter of 2011 with growth of 0.5%, up from minimal growth in Q2 of 0.1%, although this largely reflects a bounce back after growth in Q2 was affected by the extra bank holiday for the royal wedding and other one-off factors.

5.6 Employment growth has weakened noticeably in recent months, with sharp decline in the three months ending in August (the latest figures available). Unemployment was the highest it has been for 17 years at this point, taking the rate to 8.1%. Further

unemployment is envisaged next year which suggests continued weakening occupier demand for property over the immediate and short term.

5.7 Looking forward, the UK economic outlook has weakened noticeably in recent months due to concerns about the euro zone and the US economy, and worries about high inflation in the UK and the impact of the deficit reduction programme. Further to this, it is considered to be difficult to see how strong economic growth can return in the EU when a large number of countries are pursuing similar austerity programmes. In April 2011 the consensus view was for 1.7% economic growth in the UK in 2011 and 2.1% in 2012; the October view is just 0.9% growth in 2011 and 1.3% in 2012.

5.8 The UK occupier market remains polarised between central London and the rest of the UK. Take-up within central London in Q3 mirrored the average over the last 10 years. Activity in the regional markets has improved steadily throughout the year. Supply shortages at the prime end of the market are beginning to emerge, with evidence of deals becoming more competitive. This contrasts with secondary property where rental values continue to fall.

5.9 Average rental values for the regional office markets have fallen by -0.4% over the three months to September, and by -2.1% over the last 12 months (IPD Monthly Index). Average industrial rental values are falling modestly, with the IPD Monthly Index showing a fall of -1.1% over the year to September. But the rate of decline has moderated a little during 2011, and the three months to September saw a fall of only -0.2%. Demand for distribution warehousing is robust, driven partly by the increase in internet sales.

5.10 Increased economic uncertainty will inevitably have an impact on demand, as occupiers delay taking decisions, and employment growth remains subdued at best. GVA expect average `all property rental values' to increase by less than 2% during 2012, with growth likely to remain below 3% pa throughout the next four years. Although it is expected that there will continue to be strong differences according to sector and quality.

5.11 The national change in government has resulted in public sector cuts and the loss of many regeneration bodies. This coupled with developer's focus on schemes with lower up-front capital requirements in areas of proven occupier demand are likely to restrict the delivery of commercial property in regeneration areas in the short to medium term, unless they can be de-risked by regeneration bodies / developers / emerging funding streams. In this development environment an innovative approach will need to be adopted to deliver regeneration. Emerging solutions include Tax Increment Financing and European Investment Bank JESSICA finance which could be critical to delivering commercial property outside of Central London.

5.12 However for the purposes of an employment land study which seeks to identify land requirements for the next 15 years the current economic climate should not be over emphasised. Any given 15 year period is likely to experience an economic downturn, as well as periods of economic growth, and the current downturn should correct itself over the plan period. As such therefore this commentary on the national commercial market position is presented as context for the wider analysis undertaken and presented herein.

General Property Market Drivers

5.13 The commercial property market is influenced by a number of drivers which should be taken into account in future planning. These have been established through consultation with our in-house National Markets agency teams (office and industrial), and engagement with locally active commercial agents, and builds on the information presented within the previous ELPS. The key market drivers are set out below by sector.

Office Market Drivers

5.14 A number of key primary drivers for the office market are identified to be:

- Quality of Place: Employers want to locate in attractive locations which create a pleasant working environment and are easily accessible by private and public transport, this includes local provision of amenities to support the workforce.
- Ability to cluster: Most apparent within the 'knowledge economy' sectors where businesses have a higher propensity / desire to share practice and knowledge and benefit from proximity to other knowledge functions including Research and Development and Financial, Professional and Business Services. This trend includes a generally continuing trend for preference for urban centre locations or out of town bespoke developments. It is recognised that there is further clustering potential around 'assets' including for example, ports, existing clusters / major employers, University / education hubs, etc.
- Highly sustainable locations: Market trends over the last 5 years have seen an increase in occupier requirements for urban centre locations in part driven by proximity to key transport nodes, including rail stations (with specific importance placed on mainline stations where possible).
- Availability of Space: Uptake of space is largely dictated by what is available in the market place in a particular location when an occupier is searching for a new premises. This includes cost sensitivities within available floorspace which in the

short to medium term is going to continue to be a key market factor creating localised distinctions in demand / take-up.

- Skills: Occupiers need to be near / well connected to an appropriately skilled/ educated workforce, and a workforce of scale to support their business needs.

5.15 Market trends over the last five to ten years has seen a clear split in market requirements and the emergence of distinctions within the office market including increasingly demand for urban centre locations, alongside some specific requirements for out-of-centre locations with limited overlap / competition between the two in terms of occupier demand. In particular the large cities have enjoyed much higher levels of transactions in the current market as secondary locations (including smaller urban centres) are falling out of favour with investors and occupiers.

Industrial Market Drivers

5.16 As within the office sector, there are a number of key drivers for industrial demand, including those summarised below:

- Access to markets: the industrial sector, and particularly the warehousing and distribution sector, is very sensitive to its proximity and access to customer markets. This predominantly manifests in proximity to primary road (specifically motorway) and rail freight networks. Access and proximity to markets is largely a cost factor, with occupiers frequently citing the need to be within 10 minutes of motorway junctions to experience associated cost benefits of more efficient movement of goods.

- Access to Labour: similarly to the office sector, occupiers within the industrial market, covering both manufacturing and warehousing activities, require access to an appropriately skilled/ educated workforce, and a workforce of scale to support their business needs.

- Cost of Labour: the industrial sector has traditionally been more sensitive to cost distinctions within the labour market. The cost of the local labour force is as relevant in decision making around locations as the size of the labour force.

- Site/ building availability: also similarly to the office sector, the availability of suitable premises and land to facilitate the investment is a critical decision making factor, including suitability and price sensitivity considerations. Occupiers within this sector often require larger floorplates and plots / development sites.

5.17 The industrial sector generally has been in decline for a number of years which has directly impacted on the demand for industrial / manufacturing space. However this

has been somewhat offset by the increasing demand for hi-tech research and development space. Consequently occupiers are increasingly looking for hybrid space which encompasses office and industrial space within the same unit.

5.18 In the current economic climate there has been a degree of slow-down in 'churn' within this sector, including a number of businesses not relocating to alternative premises in the short term.

5.19 In terms of floorspace the decline of the industrial sector remains important. Redundant industrial estates offer little opportunity for refurbishment or redevelopment due to both the scale of the existing units and the high cost associated with any required mitigation of any existing contamination.

5.20 Warehouse / logistics industries are expected to grow particularly amongst retailers, manufacturing and logistics companies requiring space. However this demand will be limited to areas with excellent infrastructure links, with supply of appropriate large sites in close proximity.

West Cumbria Specific Drivers

5.21 Government austerity measures are anticipated to constrain growth prospects in the north of England where there is widespread dependence on the public sector for funding and job creation. This is most pertinent in the short term before other mechanisms and incentives can be introduced including, for example, Enterprise Zones, Local Development Orders, etc. Individual businesses are likely to benefit from Regional Growth Fund support pre-2014 where they are successful in bidding, but this is unlikely to significant upon wider market trends and is not a general incentive to wider occupier activity.

5.22 The Price Waterhouse Coopers UK Economic Outlook November 2010 reports that the impacts of public and private sector job cuts caused by the Coalition Government's Comprehensive Spending Review is likely to vary between regions, but that the North West specifically could experience public sector employment equating to a decrease of 3.6% jobs.

5.23 In Cumbria, local market engagement and intelligence suggests the prominence of commercial market activity focused along the M6 corridor and in particular within Carlisle urban centre and its hinterland.

5.24 Carlisle is recognised to have strong accessibility, both in terms of the road network and mainline rail links to Scotland, the North East and the rest of the North West. The connectivity of the Carlisle area is enhanced by Carlisle Airport which is owned by

Stobart Air. Stobart Air plans to invest £25 million to make the airport a passenger and freight hub, a potentially key market driver across Cumbria over the next 15 years.

5.25 Sellafield is clearly recognised to be a key driver within the Cumbria and more specifically West Cumbria commercial market, including resulting demand for office, industrial and distribution sectors. Indeed, engagement with most commercial agents identified issues in separating general market demand from that which is associated with nuclear activity locally.

5.26 The agents consulted noted that the majority of transactions recorded within West Cumbria relate to businesses that function as support services and contractors for Sellafield, with demand consequently more evident in locations proximate to the power station – although these uses are not necessarily high value in their nature.

5.27 The core catchment area, in terms of proximity to Sellafield, was identified to include: Whitehaven, Maryport, Cockermouth, Lillyhall, and to a lesser extent Millom. Millom benefits from proximity to Barrow, and to an extent the M6 (Junction 36). Firms also generally require space along the A595 as a key route / transport corridor.

5.28 More generally across the market, the Westlakes Science and Technology Park is consistently recognised to be the primary office park location across the sub-region.

5.29 It is anticipated by the agents consulted with that future investment at Sellafield will strengthen the core catchment area identified, including the prominence of Westlakes Science and Technology Park as a key occupier location.

5.30 Whilst the distribution sector in general is not identified by agents to be a key sector within West Cumbria at the current time, primarily linked to the difficult routes to the M6 from the sub-region in parts, demand in space is anticipated to increase due to Port / Harbour investment planned during the plan period. Investment in infrastructure of this kind is noted by agents to be a key driver within this sector, and therefore a key potential location factor considered by businesses looking to investment in the sub-region over the plan period. Growth in demand within this sector is anticipated as a result, with particular importance of proximity to ports likely to drive occupier requirements.

5.31 Further to these strategic drivers, the ELPS noted the importance of small business activity across West Cumbria, including specifically demand for smaller, more flexible accommodation providing businesses with the scope to grow, change and adapt to market conditions. Demand was noted to be high for managed workspace throughout Cumbria.

5.32 This market has traditionally been seen to be marginal in terms of viability, particularly pertinent in this economic climate. Smaller businesses are more frequently not opting to relocate within this market, and new starter businesses remaining in more informal accommodation to minimise costs.

Nuclear / Sellafield-associated drivers

- The Energy / Nuclear Sector: The importance of the energy / nuclear sector on the economy within West Cumbria is clearly explained within Section 3 of the Nuclear Topic Paper, which describes the employment and value contribution of the sector including direct and indirect performance and scale. The future importance of the sector is clear on the basis of the current policy position regarding the energy environment including climate change, increasing fuel prices and the continued reliance of the UK on imported fuel and therefore the clear need for investment in new energy infrastructure. The implications for West Cumbria are clear on this basis: decommissiong of Sellafield; new build; and potential investments (nuclear 'deltas') as described in more detail within Section 5 of the Nuclear Topic Paper. There are clear direct implications of this planned investment, specific to the existing Sellafield site and the adjacent NuGen site. However, beyond this, the Topic Paper clearly notes potential supply chain and spin off potential associated with the investment which could result in additional demand for traditional B Use Class land and accommodation across the sub-region. This will include demand across all of the sectors, but primarily driven by office requirements which are more easily deliverable in off-site facilities. There are also timescale / phasing implications, as demand for space within individual sectors will 'ebb-and-flow' depending on the stage of the decommissioning and new build process. These are key considerations and potential direct drivers for land and accommodation over the plan period to be considered within the analysis.

Port of Workington

5.33 The ELPS identified a policy and occupier drive towards multi-modal freight at the Port of Workington. The report suggested that more demand in port regions is expected over the medium term and multi-modal locations are becoming increasingly attractive, particularly given increases in cost associated with the movement of goods by road (e.g. fuel prices). This viewpoint has been further iterated and supported by commercial market agents consulted as part of this update exercise.

Coastal Regeneration / Visitor Economy

5.34 Although not a demand driver for traditional B Use Class accommodation / land, it is pertinent to note the scale of aspirations for coastal regeneration including

specifically growth in the visitor economy across West Cumbria. This will include recognition of major tourism drivers within the sub-region, with proximity and connectivity to the Lake District National Park a clear asset and driver, alongside investment in the coastal towns including Maryport, Workington, and Whitehaven. Private sector aspirations for tourism investment at Derwent Forest are also understood to be emerging, with potential significant implications for the prominence of this area as a visitor attraction within Cumbria.

5.35 These uses whilst not directly demanding traditional B Use Class employment space will result in employment generation, and will contribute to the quality of place, including amenity provision which could enhance occupier demand / requirements within key locations including specifically the coastal towns.

Home Working

5.36 As noted within the original ELPS, home working is a growing practice and much of this growth is focused in remote rural areas within particular relevance for West Cumbria. This has been supported with technological advances and the provision of communication infrastructure to more rural areas. West Cumbria must ensure that its planning policies are in place to cater for buildings which contain both a living space and an employment space; and that local service centres enjoy inward investment to attract potential home run businesses.

Development Rates

5.37 The 2008 DTZ ELPS considered employment land take up across West Cumbria based on data monitored and compiled by Cumbria County Council from 2002 to 2008, on an annual basis. This data was disaggregated by type (Business Park, Local Employment, Own Use, Port Related, Strategic Employment), and by location (Allerdale: Cockermouth, Maryport, Wigton, Workington, Rural Areas; Copeland: Whitehaven, Millom, Rural Areas).

5.38 In their analysis DTZ noted that overall land take-up rates suggest that developer demand is extremely low, and where significant completions have been noted, these have been predominantly public sector led.

5.39 Where data is available this analysis has been updated within this ELR update to cover the period to 2010. Data has not been available disaggregated by area within local authorities.

5.40 The 5-year average employment land take up across West Cumbria between 2002 and 2007 was 3.96 hectares, of which 1.02 hectares was in Allerdale and 2.93 in Copeland.

5.41 The latest figures suggest that headline development rates have declined across the sub-region, albeit only marginally, post-2007. The five-year employment land take-up rates, disaggregated by type, from 2006 to 20010 (inclusive) are presented in the table below.

Figure 5.1: Five Year Employment Land Take-Up, 2006-2010 (Ha)

Allerdale	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Total	Average
Business Park	0.00	1.00	0.79	0.00	0.00	1.79	0.36
Local Employment	0.51	0.61	0.00	1.54	0.47	3.13	0.63
Own Use	0.00	0.00	0.00	0.00	0.66	0.66	0.13
Port Related	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Strategic	0.00	0.00	2.46	0.00	0.72	3.18	0.64
Allerdale Total	0.51	1.61	3.25	1.54	1.85	8.76	1.75
Copeland	**Mar-06**	**Mar-07**	**Mar-08**	**Mar-09**	**Mar-10**	**Total**	**Average**
Business Park	5.38	0.00	0.00	0.00	0.00	5.38	1.08
Local Employment	0.00	0.00	1.41	0.22	0.16	1.79	0.36
Own Use	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Port Related	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Strategic	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Copeland Total	5.38	0.00	1.41	0.22	0.16	7.17	1.43
West Cumbria	**Mar-06**	**Mar-07**	**Mar-08**	**Mar-09**	**Mar-10**	**Total**	**Average**
Business Park	5.38	1.00	0.79	0.00	0.00	7.17	1.43
Local Employment	0.51	0.61	1.41	1.76	0.63	4.92	0.98
Own Use	0.00	0.00	0.00	0.00	0.66	0.66	0.13
Port Related	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Strategic	0.00	0.00	2.46	0.00	0.72	3.18	0.64
West Cumbria Total	5.89	1.61	4.66	1.76	2.01	15.93	3.19
Cumbria	**Mar-06**	**Mar-07**	**Mar-08**	**Mar-09**	**Mar-10**	**Total**	**Average**
Cumbria Total	23.70	17.17	11.70	6.83	7.17	66.58	13.32

Source: Cumbria County Council Schedule 8 Developed Land by Market Sector for the 5 year period between 1 April 2005 and 31 March 2010

5.42 The latest five year figures suggest lower average annual development rates across the sub-region, at just 3.19 hectares compared to 3.96 hectares from 2002 to 2007. This largely reflects the impact of the 10 hectares of land brought forward for Business Park use at Westlakes Science and Technology Park within Copeland during 2004/5, a scale of development not replicated for the remainder of the period, or the period 2007 to 2010, although 5.38 of Business Park development was delivered in Copeland during the AMR year 2005-6.

5.43 The average annual development rates across West Cumbria for the five year period 2006 to 2010 (inclusive) represented just 24% of the Cumbria total over the period.

Commercial Property Transactions

5.44 The following section sets out commercial property transactions in West Cumbria for the past three years. This data has been drawn from EGi and Focus property databases which represent a robust source for transactional data.

Figure 5.2: West Cumbria Transactions July 2008 to July 2011

	2008/09	2009/10	2010/11	Total	Average
Offices	1,739	1,862	2,346	5,947	1982
Industrial and Warehousing	24,712	24,350	22,830	71,892	23964

Source: EGi/ Focus 2011

5.45 In the past 3 years around 6,000 sq m (64,012 sq ft) of office space was transacted, an average of 1,982 sq m pa (21,334 sq ft). Transaction levels have increased over the time period indicating the commercial property market is beginning to recover in line with economic growth. Office transactions were predominately focused in Workington and Cockermouth over this period.

5.46 Industrial and warehousing properties have experienced a much higher level of transactions, equating to over 70,000 sq m (773,839 sq ft) which is an average of around 24,000 sq m pa (257,946 sq ft). Levels have been fairly consistent over the time period but dropped slightly in 2010/11. In general industrial and warehousing is more geographically distributed throughout the two boroughs.

5.47 The geographical distribution of transactions is set out in the table below.

Figure 5.3: West Cumbria Office Transactions July 2008 to July 2011

	Number of Transactions 2008- 2011	Total Floorspace Transacted	Average Floorspace Transacted	Achieved Rents Range (per sq m)	Mean Rent	Key Employment Site Locations
Wigton	1	139	46	Not Known	Not Known	-
Cockermouth	14	1597	532	£35.81- £106.86	£77.27	Lakeland Business Park/ Europe Way
Maryport	2	219	73	£61.08	£61.08	-
Workington	15	2643	881	£50.27- £118.40	£93.08	Lillyhall Business Centre
Whitehaven	2	435	145	Not Known	Not Known	-
Egremont	0	0	0	-	-	-
Cleator Moor	1	451	451	Not Known	Not Known	-
Millom	0	0	0	-	-	-
Broughton in Furness	0	0	0	-	-	-
Silloth	0	0	0	-	-	-
Keswick	10	463	154	£75.35	£75.35	-

Source: EGi/ Focus 2011

5.48 Office market transactions have been focused in Cockermouth and Workington due to the presence of two of West Cumbria's major office parks, Lakeland Business Park in Cockermouth and Lillyhall Business Centre in Workington. The better quality offices in these office parks have resulted in higher rents. Office transactions have been for small units- ranging from 22 sq m to 188 sq m at Europe Way and the Lakeland Business Park and at the Lillyhall Buisness Centre units have ranged from 32 sq m to 175 sq m. Consequently demand is predominately for smaller units.

Figure 5.4: West Cumbria Industrial Transactions July 2008 to July 2011

	Number of Transactions 2008- 2011	Total Floorspace Transacted	Average Floorspace Transacted	Achieved Rents Range (per sq m)	Mean Rent	Key Employment Site Locations
Wigton	23	37337	12446	£8.50- £52.21	£30.14	Western Bank Industrial Estate/ George Moor Industrial Estate
Cockermouth	11	3374	1125	£51.99- £61.03	£57.54	Derwent Mills Commercial Park
Maryport	10	730	243	£24.22-£61.08	£46.12	Solway Trading Estate
Workington	31	14568	4856	£7.32-£97.63	£48.54	Lilyhall Business Centre/ Derwent Howe Industrial Estate/ Salterbeck Industrial Estate/ Clay Flatts Industrial Estate/ St Helens Business Park
Whitehaven	4	4497	1499	-	-	Sneakyeat Industrial Estate
Egremont	5	2281	760	£44.00	£44.00	Bridge End Industrial Estate
Cleator Moor	15	6320	2107	£12.53-£43.38	£31.01	Leconfield Industrial Estate
Millom	6	1656	552	£21.53	£21.53	Devonshire Road Industrial Estate
Broughton in Furness	1	120	40	£35.05	£35.05	Foxfield Business Park
Silloth	1	1008	336	-	-	Silloth Industrial Estate
Keswick	0	0	0	-	-	-

Source: EGi/ Focus 2011

5.49 The majority of industrial transactions have occurred in Wigton and Workington, which corresponds with the largest amounts of total floorspace transacted. There are a large number of industrial estates in Workington and prices vary between the industrial estate with Lilyhall Business Centre achieving the highest rents for industrial units and Derwent Howe Industrial Estate achieving the lowest rents. There is demand for both large industrial units and smaller units, with the majority of large units located on the Derwent Howe Industrial Estate (1,000 sq m- 2,500 sq m) and the majority of smaller transactions occurring in Cockermouth, Maryport, Cleator Moor and Millom.

- There were 10 transactions for units over 2,000 sq m which were based in George Moor Industrial Estate/ Western Bank Industrial Estate/ Derwent Howe Industrial Estate/ St Helen's Business Park/ Sneckyeat Industrial Estate. All the transactions for the larger units were in Wigton, Whitehaven and Workington.
- 7 transactions were for units between 1,000 sq m and 1,999 sq m.
- 13 transactions were for units between 500 sq m and 999 sq m.
- 72 transactions were for units between 0 sq m and 499 sq m.

6. Future Demand Requirements

6.1 The ELR Guidance Note requires the calculation of land requirements over the plan period based on the selection and application of 'suitable model / demand analysis'. The Guidance Note identifies three broad methodologies as a basis for this analysis including:

- Regional and sub-regional sectoral economic and employment forecasts and projections ('labour market demand techniques');
- Demographically derived assessment of future employment needs ('labour supply techniques'); and
- Analyses based on the past take-up of employment land and property and/or future property requirements.

6.2 It further sets out the 'mechanics' of translating employment and output forecasts into land requirements, including the need to consider four key relationships:

- Standard Industrial Classification (SIC) sectors to use classes;
- SIC sectors to type of property;
- Employment to floorspace (employment density); and
- Floorspace to site area (plot ratio).

6.3 Finally, the Guidance Note recommends that sensitivity analysis (scenario testing) is undertaken to assess the reliability of the results. This analysis will create ranges of future land requirements as alternatives to the 'baseline' forecast.

6.4 Such an approach helps to confirm the key drivers for change. The consideration of alternative scenarios for growth can be used to provide early indications of changes of direction within the economy.

6.5 As outlined previously within Section 4, economic forecasts have been produced to support this evidence base update. Section 4 identified the influence that employment and economic activity at Sellafield has on the econometric forecasts.

6.6 This analysis builds on the recognition that contraction and/or growth in employment at Sellafield, and under the new build scenario at the NuGen site, will primarily be accommodated on site rather than resulting in wider demand / requirements for general (market) employment land.

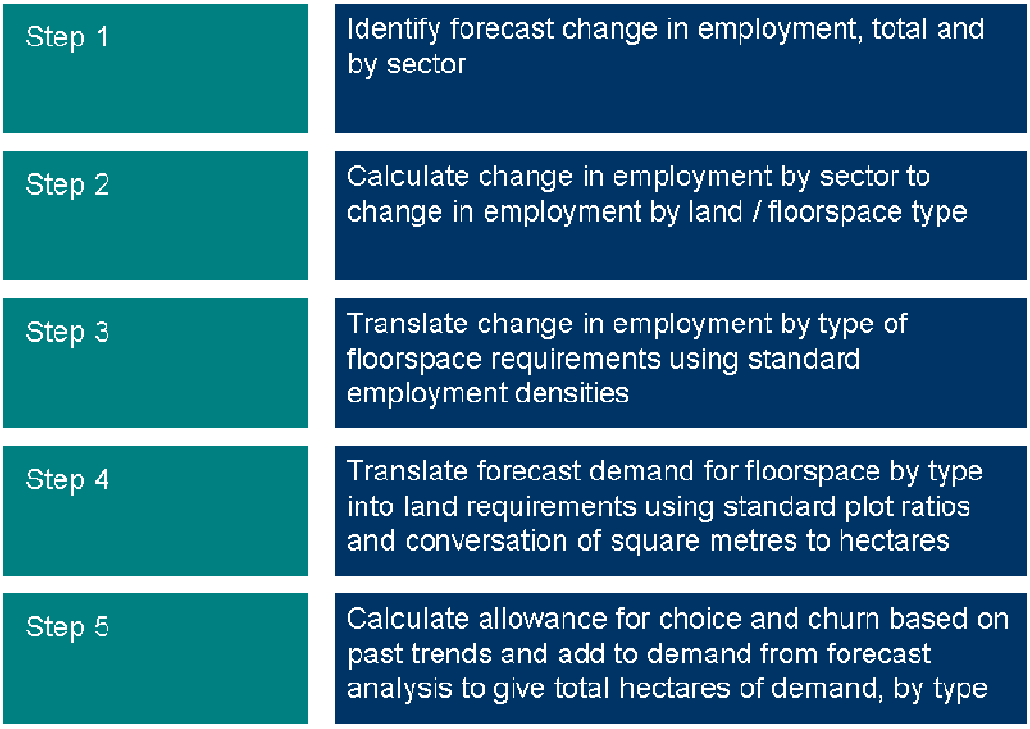
6.7 As a result, the calculations of land demand resulting from the econometric forecasts have isolated the direct employment impacts of Sellafield.

Calculating Land Requirements from Economic Forecasts

Methodology

6.8 In order to calculate land requirements from economic forecasts a series of 'steps' are taken within the analysis, as illustrated below.

Figure 6.1: Demand Analysis: 'Step-by Step' Methodology



Source: GVA, 2011

Linking Sectors to Land Use Type

6.9 It is recognised that activity within each of the sectors across West Cumbria is not uniform. For example, not all of the employment within the "Construction" sector will be accommodated within B1 (a or b), B2 or B8 floorspace, but rather will include activity in all and some Non-B use class floorspace. In order to ensure that the calculations undertaken do not overestimate employment land requirements these sector distinctions are taken into account.

6.10 In order to distribute employment forecasts by sector across the B-Use Class types a conversion matrix is applied within the calculations, as set out below. This matrix is applied at Step 2 of the methodology presented in the diagram previously.

Figure 6.2: B Use Class Conversion Matrix

Sector	Assumption	B1 %	B2 %	B8 %
Agriculture, Forestry & Fishing	N/A	0%	0%	0%
Oil & Gas Extraction	N/A	0%	0%	0%
Other Mining	N/A	0%	0%	0%
Gas, Electricity & Water	N/A	0%	0%	0%
Fuel Refining	Primarily B2	0%	100%	0%
Chemicals	Primarily B2	0%	100%	0%
Minerals	Primarily B2	0%	100%	0%
Metals	Primarily B2	0%	100%	0%
Machinery & Equipment	Primarily B2	0%	100%	0%
Electrical & Optical Equip.	Primarily B2	0%	100%	0%
Transport Equipment	Primarily B8	0%	0%	80%
Food, Drink & Tobacco	Primarily B2	0%	100%	0%
Textiles & Clothing	Primarily B2	0%	100%	0%
Wood & Wood Products	Primarily B2	0%	100%	0%
Paper, Printing & Publishing	Primarily B2	0%	100%	0%
Rubber & Plastics	Primarily B2	0%	100%	0%
Other Manufacturing	Primarily B2	0%	100%	0%
Construction	Self Employment Limited B2/B8	15%	30%	5%
Retailing	N/A	0%	0%	0%
Wholesaling	Primarily B8	0%	15%	70%
Hotels & Catering	N/A	0%	0%	0%
Transport	Primarily B8	0%	0%	65%
Communications	Primarily B8	0%	0%	85%
Banking & Insurance	Primarily B1	90%	0%	0%
Business Services	Primarily B1	90%	0%	0%
Other F&Bs	Primarily B1	90%	0%	0%
Public Admin. & Defence	N/A	0%	0%	0%
Education	N/A	0%	0%	0%
Health	N/A	0%	0%	0%
Other	Proportion In B2	20%	20%	0%

Source: GVA, 2011

Employment Densities

6.11 To translate change in employment (i.e. the number of jobs, by type) into floorspace requirements (i.e. the quantum of floorspace required to accommodate / deliver the job numbers forecast, by type), it is necessary to apply an employment density value.

6.12 The DTZ ELPS applied two sets of employment densities within their original calculations, as summarised in the following table. Since the publication of the report

further guidance has been made available by the Homes and Communities Agency (HCA) updating employment density assumptions (2nd Edition, 2010), with these figures also included in the table.

6.13 The 2010 updated guidance suggests a more dense standard of office employment (i.e. less space per employee within B1 sectors), alongside a lower density of industrial (B2) and warehousing (B8) employment.

Figure 6.3: Comparison of Employment Densities

Floorspace Type	Cumbria Vision Densities (2008)	Alternative Densities (2008)	HCA Densities (2010)
Offices (B1)	19sqm per employee	18.5sqm per employee	12sqm per employee
Industrial (B2)	34sqm per employee	32sqm per employee	36sqm per employee
Warehousing (B8)	50sqm per employee	65sqm per employee	75sqm per employee

6.14 The updated ELR has applied the 2010 based employment density assumptions within the calculations undertaken as the most up-to-date standard available.

Plot Ratios

6.15 To translate floorspace requirements resulting from forecast change in employment by type into land requirements it is necessary to apply a plot ratio assumption. The plot ratio quantifies the proportion of each hectare that will accommodate employment generating floorspace, and the proportion that will accommodate associated infrastructure including roads, car parking, landscaping, etc.

6.16 As with the employment density assumptions, the original 2008 ELPS applied two sets of plot ratio assumptions, as summarised in the table below. The standard plot ratios included within the ELR Guidance Note are provided in the final column.

Figure 6.4: Comparison of Plot Ratios

Land Type	Cumbria Vision Plot Ratios (2008)	Alternative Plot Ratios (2008)	ELR Guidance Note Plot Ratios
Offices (B1)	40%	40%	40%
Industrial (B2)	40%	40%	40%
Warehousing (B8)	40%	35%	35%

6.17 The updated ELR has applied the alternative plot ratios from the original DTZ report within the calculations undertaken, in line with the ELR Guidance note. It is noted that

the plot ratio assumption for office development is the same across all of the comparators presented, and in each case is a low density assumption.

Allowance for Choice and Churn

6.18 It is recognised that there will be activity within the West Cumbria economy including relocations and windfall developments that is not taken account of in the employment forecasts. These individual business decisions and activity cannot be calculated in this way; they could, for example, including the movement of businesses from one location to another with no change in total employment.

6.19 To reflect the need to ensure that there is enough land of the right type to meet this 'additional' demand, we make a contingency allowance within the calculations. This allowance also takes into account land 'lost' to other uses (including Non-B Use Class employment activity). It must be noted that whilst the latter losses are taken into account to an extent within the calculations, this must be monitored over the plan period to ensure that there is not a shortage of land for B-Use Class employment development.

6.20 There is no guidance relating specifically to making allowance for choice and churn within the calculation of employment land requirements. Alternative approaches applied include the application of a percentage value as the allowance presented as an additional premium on calculated land requirements.

6.21 For the purposes of this analysis, past trends in commercial vacancy rates across West Cumbria have been considered, as a proxy for frictional vacancy rates to be applied.

6.22 Commercial and Industrial Floorspace Statistics data obtained from the Office of National Statistics (ONS) from 1998 to 2005 (the latest date available at the time of writing) suggest average commercial vacancy rates (hereditaments) over the period of around 3.9%. This frictional vacancy rate is applied to the land supply figures and then added to the requirements figures calculated to ensure an allowance for frictional vacancy is taken into account.

Forecast-led Employment Land Requirements

6.23 The employment forecasts (2011-2026) have been taken through the methodology outlined in paragraphs 6.8 to 6.22, resulting in the initial land requirements as set out in the table below. However, the analysis undertaken within this report and the Projections Paper articulates Sellafield's influence on the employment numbers. As a result the appropriateness of using these numbers is questioned and not taken forward within this update report.

Figure 6.4: West Cumbria Employment Land Requirements 2011 – 2026 (Including Sellafield sectors)

Scenario	B1 Office (Ha)	B2 Industrial (Ha)	B8 Warehousing (Ha)	Total (Ha)
Baseline Decommissioning	0.26	-17.7	11.75	-5.69
New Build	2.52	-8.53	11.43	5.42
New Build Plus	3.85	9.28	12.41	22.54

6.24 As outlined previously, Experian have isolated job numbers specific to Sellafield within each of the respective scenarios to be considered in the context of the overall FTE employment change forecast across West Cumbria. The consideration of each scenario is summarised below. The aspiration to move Sellafield workers off-site will have an implication for potential land / space requirements as outlined in the following paragraphs.

Baseline decommissioning scenario

6.25 The figure below illustrates the change in Business services FTEs forecast at three levels within the baseline decommissioning scenario: initially the total West Cumbria forecast change, then the forecast change in Business services FTEs directly associated with Sellafield, and finally, the forecast change in Business services FTEs across West Cumbria not directly associated with Sellafield.

6.26 It is noticeable that the trend at West Cumbria scale (total) are closely aligned to the Sellafield direct FTE numbers and trend. This includes a general fall in FTEs within this sector to 2018, before initial increase in 2019, followed by gradual decline to 2026.

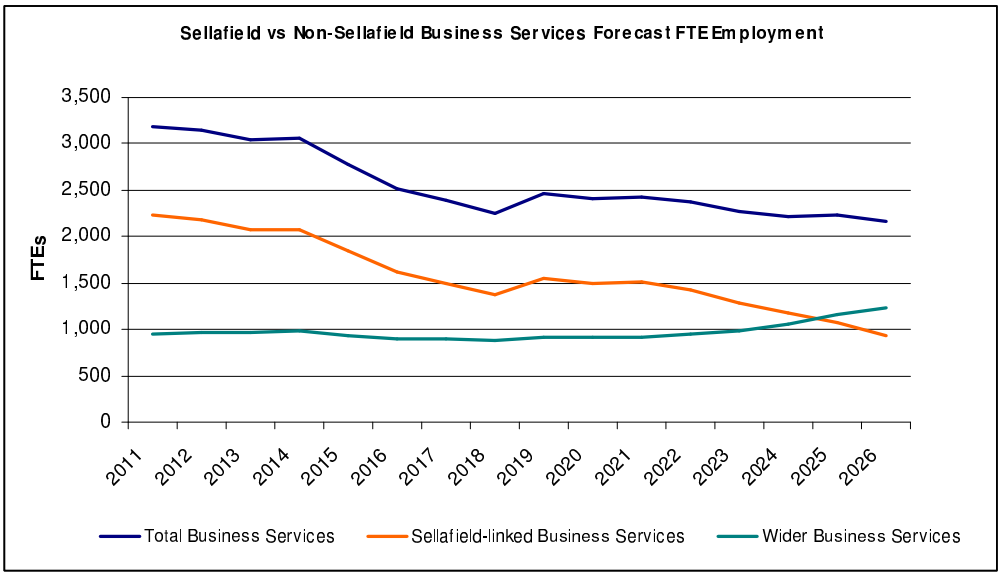
6.27 Interestingly however the trend across West Cumbria within this sector outside of Sellafield (i.e. not directly attributed to Sellafield) is one of gradual increase in FTEs over the period, albeit with a marginal drop between 2015 and 2019. The growth in non-Sellafield Business services FTEs dampens the decline forecast across West Cumbria post-2024.

6.28 Considering the forecast trend in Business services FTEs outside of the changes forecast relating directly to Sellafield, there could be an increase of 281 jobs over the period 2011 to 2026. Critically, this employment growth must be accommodated within B1 office floorspace.

6.29 Taking these numbers through the steps of the methodology previously described, including the application of standard employment densities and plot ratios, identifies the **need to plan for some 3,372 square metres of B1office floorspace** (equating to

0.84ha of land) over the period to 2026 to accommodate this baseline scale of growth.

Figure 6.5 Baseline Forecast Business Services FTE growth 2011 - 2026



Source: Experian, 2011

6.30 Although outside of the direct remit of the ELR, it is pertinent to also consider forecast changes in employment within retail/hotels as key town centre uses. Forward planning for retail uses is directly informed by guidance within Planning Policy Statement 4 *Planning for Sustainable Economic Growth*, including the need to undertake retail capacity assessments as part of the LDF evidence base.

6.31 Retail assessments follow a conventional and widely accepted step-by-step methodology used to calculate quantitative need for additional floorspace within a location. This establishment of 'need' is at the heart of retail planning, based on population and expenditure levels, and a market share approach.

6.32 Under the Baseline growth scenario, employment within the Retail and Hotels and Catering sectors are forecast to grow within Copeland between 2011 and 2026, including an additional 362 jobs (22.7% increase) within the former, and 293 (27.2%) within the latter. Within Allerdale under this growth scenario, the Retail sector is forecast to grow by 415 jobs (14.1%) over the period, with Hotels and Catering forecast to grow by 550 jobs (24%).

6.33 It is not appropriate to calculate floorspace / land requirements across these sectors following the same methodology as set out for B Use Class employment change.

Rather, capacity for retail floorspace is calculated following the retail assessment methodology.

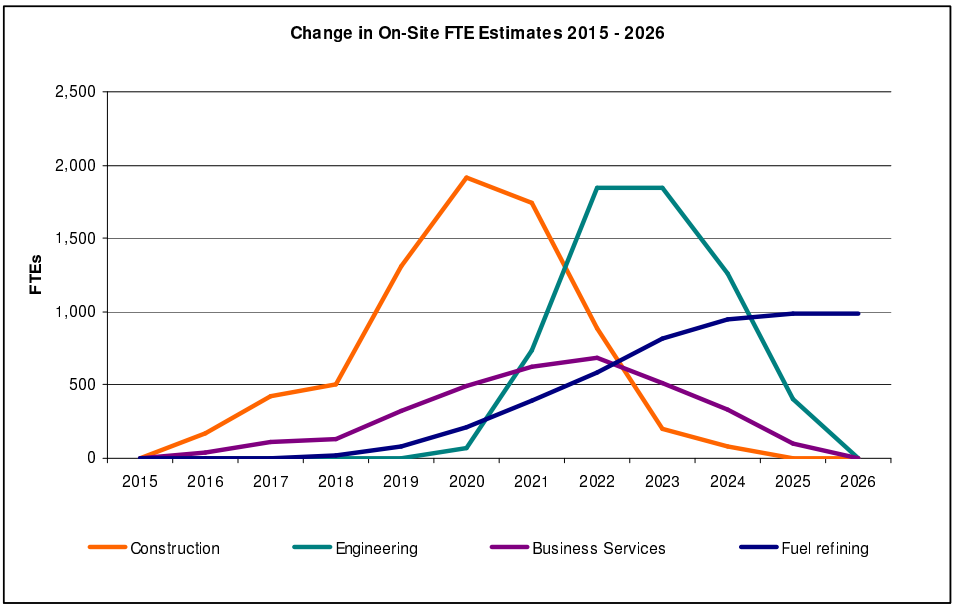
6.34 However, it is recognised that where growth is noted within these sectors across West Cumbria it is amongst the largest sectoral growth (total) across the authorities, highlighting the significance of these sectors to the local economy in employment terms.

New build scenario

6.35 Under the new build scenario, FTE employment numbers are forecast across four key sectors, as illustrated in the graph below. This includes a peak employment creation of 1920 Construction jobs in 2020, 1840 Engineering (Metals) jobs in 2022/23, 683 Business services jobs in 2022, and 990 Fuel refining jobs in 2026.

6.36 It is clear that the Fuel refining jobs forecast will be accommodated on-site, either within Sellafield, or on the NuGen site adjacent. These are jobs that are not easily transferrable off the site. However, the same is not so clearly true for the other three sectors of relevance within the calculation. There is a clear opportunity to accommodate this job growth outside of the Sellafield / NuGen sites within the wider West Cumbria area. In forward planning terms it is important that there is sufficient capacity to accommodate the forecast peaks in employment within each of the relevant sectors noted within the forecast.

Figure 6.6 New Build Forecast Key Sectors FTE growth 2015 - 2026



Source: Experian, 2011

6.37 The peak FTE employment numbers forecast within the Construction, Engineering (Metals), and Business services sectors have been taken through the methodology as described previously. In the case of the Construction sector it is relevant to note that the methodology assumes only a proportion of the FTE employment forecast would be expected to require B Class employment land. This assumption is 50% (15% B1, 30% B2, and 5% B8). For Engineering it is assumed that 100% of the FTE employment forecast would require B2 floorspace, and for Business services 100% of the FTE employment forecast would require B1 floorspace.

6.38 The resulting land requirements, following the application of standard employment densities and plot ratios as outlined in the methodology previously, are summarised by sector below:

- The need to accommodate 683 FTE jobs in the Business services sector resulting in the **requirement for an additional 8,196sqm B1 floorspace by 2022** (2.1ha);
- The need to accommodate 960 FTE jobs in the Construction sector to be accommodated on B Class land resulting in the **requirement for an additional 3,456sqm B1 floorspace, 34,580sqm B2 floorspace, and 7,200sqm B8 floorspace by 2020** (equates to 0.86ha B1, 8.64ha B2, and 2.06ha B8 land); and
- The need to accommodate 1,840 FTE jobs in the Engineering (sector) resulting in the **requirement for an additional 66,240sqm B2 floorspace by 2022** (16.56ha).

6.39 Similarly to the commentary provided alongside the analysis of the Baseline scenario, the forecast employment change within the Retail and Hotels and catering sectors across West Cumbria has been considered within the New build scenario.

6.40 Under this scenario the importance of growth within these sectors, where growth is identified, is even more pronounced than within the Baseline scenario when compared to forecast change in employment across other sectors within the economy.

6.41 Within Copeland, forecast growth within the Retail sector is 501 jobs (31.5%) and within the Hotels and catering sector 420 jobs (38.9%) between 2011 and 2026. Within Allerdale, forecast growth in the Retail sector is less pronounced than under the Baseline scenario at 488 jobs (16.5%), with growth more pronounced within the Hotels and catering sector at 635 jobs (27.8%).

New build plus scenario

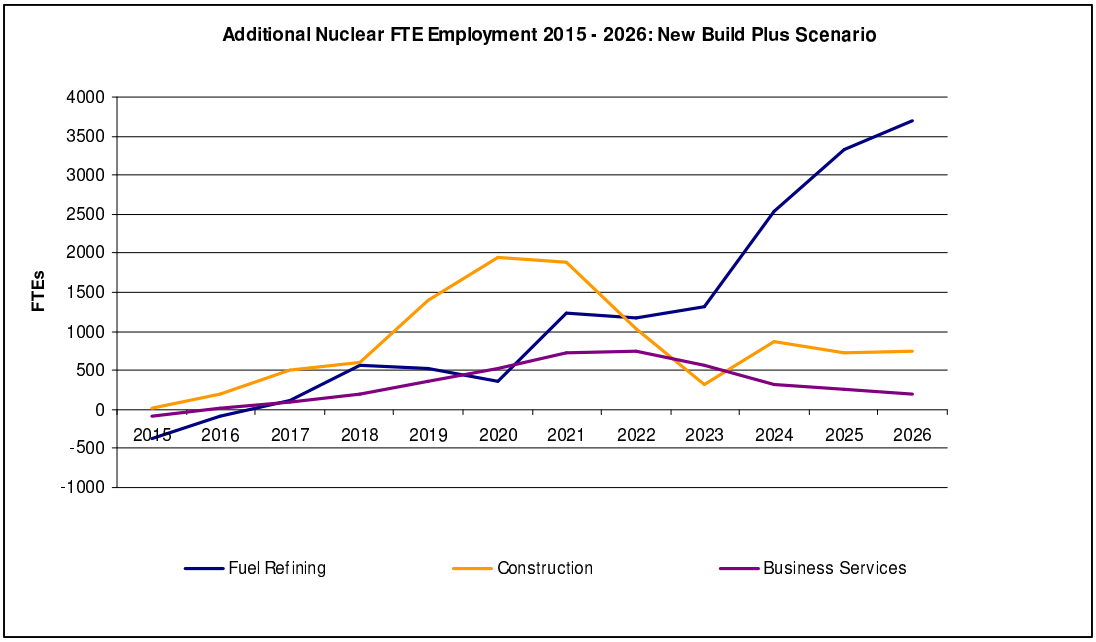
6.42 Under the new build plus scenario a series of projects have been identified, in addition to the direct new build activity at the Sellafield / NuGen site. This includes the potential generation of further additional jobs within the Business services,

Construction and Fuel refining sectors with potential off-site land and property requirements.

6.43 The graph below illustrates the forecast change in additional employment (i.e. above the baseline scenario) within the key sectors under the 'New build plus' scenario. The numbers presented comprise the new build figures plus the 'project-on' forecast estimates.

6.44 Critically within this scenario it is clear that the peak FTE estimates within the key sectors are higher than in the new build scenario, and maintain a level of employment at the end of the period (2026) than within the new build scenario.

Figure 6.7: New Build Plus Forecast Key Sectors FTE growth 2015 – 2026



Source: Experian, 2011

6.45 The peak FTE employment numbers forecast within the Construction and Business services sectors have been taken through the methodology as described previously. As noted previously, in the case of the Construction sector it is relevant to note that the methodology assumes only a proportion of the FTE employment forecast would be expected to require B Class employment land. This assumption is 50% (15% B1, 30% B2, 5% B8). For Business services 100% of the FTE employment forecast would require B1 floorspace.

6.46 The resulting land requirements, following the application of standard employment densities and plot ratios as outlined in the methodology previously, are summarised by sector below:

- The need to accommodate 739 FTE jobs in the Business services sector resulting in the **requirement for an additional 8,868sqm B1 floorspace by 2022** (2.22ha); and
- The need to accommodate 1,948 FTE jobs in the Construction sector to be accommodated on B Class land resulting in the **requirement for an additional 3,506sqm B1 floorspace, 35,064sqm B2 floorspace, and 7,305sqm B8 floorspace by 2020** (equates to 0.88ha B1, 8.77ha B2, and 2.09ha B8 land).

Economic drivers of demand for employment land

6.47 The following bullet points summarise the analysis of the various scenarios and resulting land requirements:

- Change in employment levels vary between the forecasts including contraction under the first two scenarios but overall growth under the new build plus scenario between 2011 and 2026, ranging from -2,948 within the baseline scenario to -228 within the new build, and +3,087 within the new build plus scenario, these are recognised to be influenced directly by the impact of changing employment at Sellafield which will be accommodated on specific sites (existing Sellafield and NuGen);
- The resulting land requirements calculated from the FTE employment forecasts are all similarly varied over the period to 2026, ranging from -6ha within the baseline scenario, to +5.5ha within the new build scenario, and +23ha within the new build plus scenario;
- When the 'Sellafield-effect' is modelled out of the scenario analysis a different picture is presented of potential growth within key sectors including under the baseline scenario the need to accommodate an additional 3,372sqm B1office floorspace over the period;
- Under the new build scenario, when Sellafield is isolated within the analysis, an additional 11,652sqm B1 office floorspace (cumulative 15,024sqm / 3.8ha B1 office requirement), 100,820sqm B2 general industrial floorspace (25.2ha general industrial requirement), and 7,200sqm B8 warehousing and distribution floorspace (2.06ha warehousing and distribution requirement);
- Under the new build plus scenario, when Sellafield is isolated within the analysis, an additional 12,374sqm B1 office floorspace (cumulative 15,746,sqm / 3.94ha B1

office requirement), 35,064sqm B2 general industrial floorspace (8.77ha general industrial requirement), and 7,305sqm B8 warehousing and distribution floorspace (2.09ha warehousing and distribution requirement).

6.48 The use of econometric forecasts in projecting land requirements over a 15 year plan period must always be treated with a degree of caution; even more pronounced within this uncertain economic climate. Employment forecasts are trend based, and must be updated on a regular basis to ensure that changing economic structures are reflected.

6.49 Within this analysis however a greater sense of security can be taken from the analysis of FTE employment associated with Sellafield, with specific engagement between Sellafield Ltd, Cumbria County Council and Experian in developing the forecasts.

6.50 This specifically relates to the isolated analysis within the three scenarios specifically recognising the forecast requirements of specific sectors within the economy that in headline terms are skewed by changes at Sellafield.

6.51 The analysis has specifically identified positive land requirements, driven by employment growth that is separate from that driven by Sellafield specifically, within some key sectors including Business services that will need to be accommodated / facilitated through sufficient and appropriate employment land supply.

6.52 In addition, the analysis has suggested land requirements associated with Sellafield-linked sectors which could be accommodated off-site (i.e. across the wider West Cumbria area), including employment growth within the Construction, Engineering, and Business services sectors additional to that noted at paragraph 6.55.

Alternative Land Requirements

6.53 In line with the requirements of the ELR Guidance Note, further alternative models for calculating employment land requirements have been considered within the analysis. These build on those presented within the original ELPS including consideration of 'Development Rates', 'Transactions', and 'commercial market sentiment'. These calculations assume a continuation of past scale of development and commercial market activity over the plan period. It is noted that reliance on these calculations alone for forward planning purposes can reinforce historical imbalances in supply and demand; and that take-up, be that land or transactions, is heavily influenced by a range of factors including availability and price.

6.54 The calculations undertaken, and set out in more detail in the remainder of this section, do not include consideration of levels and nature of enquiries received by

potential investors (occupiers) into West Cumbria in line with the former ELPS due to comparable data not being available at the time of writing.

Development Rates

6.55 Development rates have been presented previously within Section 5 of this report, documenting the scale of development across West Cumbria based on five-year figures from 2006 to 2010 (inclusive). These figures suggested an annual average development rate of 3.19ha across West Cumbria over this period.

6.56 In order to calculate land requirements over the period 2006 to 2030 (in line with the wider evidence base) this take up rate has been multiplied by 24 years, resulting in a total land requirement of 76.56 hectares.

6.57 This figure has been disaggregated by type, as illustrated in the following table. The data is recorded by type by Cumbria County Council, with the types grouped together to represent the Office (B1), Industrial (B2), and Warehouse (B8) sectors.

Figure 6.14: Development Rates by Type and Assumed Sector

	Sector	Total	Allerdale	Copeland
Business Park	Office (B1)	1.43	0.36	1.08
Local Employment	Industrial (B2)	0.98	0.63	0.36
Own Use	Industrial (B2)	0.13	0.3	0.00
Port Related / Strategic	Warehouse (B8)	0.64	0.00	0.00
Total		3.19	1.75	1.43

Source: Cumbria County Council Schedule 8 Developed Land by Market Sector for the 5 year period between 1 April 2005 and 31 March 2010, adapted by GVA

Figure 6.15: Future Land Requirements Based on Development Rates by Type and Assumed Sector

	Sector	Total	Allerdale	Copeland
Business Park	Office (B1)	34.56	8.64	25.92
Local Employment	Industrial (B2)	23.76	15.12	8.64
Own Use	Industrial (B2)	7.2	7.2	0
Port Related / Strategic	Warehouse (B8)	15.36	15.36	0
Total		80.88	46.32	34.56

Source: GVA

6.58 The calculations suggest a need for just over 80 hectares of employment land across West Cumbria over the period 2006 to 2030, including just over 34 hectares of B1 land, just under 24 hectares of B2 land, and over 15 hectares of B8 land.

6.59 Netting off development which has occurred between 2006 and 2010 from the figures results in a land requirement from 2011 to 2030 as summarised in the table below.

Figure 6.16: Development Rate Based Land Requirements 2011 – 2030

	Total	Allerdale	Copeland
Office B1	33.12	8.28	24.84
Industrial B2	29.67	21.39	8.28
Warehouse B8	14.72	14.72	0
Total	77.51	44.39	33.12

Source: GVA

Transactions

6.60 The data presented in Section 5 relating to transactions recorded over West Cumbria between 2008 and 2011 suggested average annual rates of 1,982sqm for offices and 23,964sqm for industrial / warehousing.

6.61 Using standard plot ratios, as set out previously within the methodology these annual floorspace figures have been converted to annual land requirements of 0.07928 hectares for B1 and 0.89865 hectares for B2/B8 uses. Multiplying these figures by 24 (2006 to 2030) results in a total requirement of 1.9 hectares of B1 land and 21.57 hectares of B2 / B8 land.

6.62 As noted within the previous analysis, transactional activity across West Cumbria was concentrated in a number of key locations, including a recognition of the importance of activity within Allerdale contributing to overall transactional activity across the sub-region. This includes within the office sector the importance of Cockermouth and Workington in terms of number of transactions and total volume of floorspace transacted, and within the industrial and warehousing sectors, the importance of Wigton and Workington. Within the industrial and warehousing sectors both Cockermouth and Maryport also experienced notable transactional activity within Allerdale, and Cleater Moor a similar level within Copeland.

'Strategy-led Demand'

6.63 These requirements, often referred to 'strategy-led' or 'supply-led' requirements are driven by both commercial market trends and aspirations for diversification and growth within the economy above and beyond that which is forecast to happen naturally.

6.64 For West Cumbria there are a number of key elements to take into account when considering strategy-led requirements over the plan period including: commercial

market demand and drivers (linked to past development rates); and the on-site and off-site potential of the Nuclear sector, alongside wider diversification of the economy. The ELR will not set the strategy for the economy but does draw conclusions on the drivers and the positioning of employment land supply in this context.

Commercial market demand and drivers

6.65 The analysis undertaken has established demand for employment land associated with past development take-up rates. This includes the identified potential requirement for up to 74 hectares of employment land across West Cumbria over the period to 2026, including 33 hectares B1, 26 hectares B2 and 15 hectares B8 land within this total. A level of B1 demand has also been identified within the analysis of econometric forecasts as being additional to that directly attributed to Sellafield.

6.66 This demand reflects past development activity and sector strengths, and is therefore effectively a manifestation of market demand forces and drivers across the sub-region.

6.67 In forward planning for this level of demand it is therefore appropriate to consider market perspectives on key drivers (location-specific) to ensure that there is a suitable supply of employment land to facilitate development activity to this scale in the future.

6.68 The key B Class commercial drivers across West Cumbria have been considered in more detail within Section 5 including specifically findings of consultation with commercial market agents who are active across the area, and are summarised in the bullet points below:

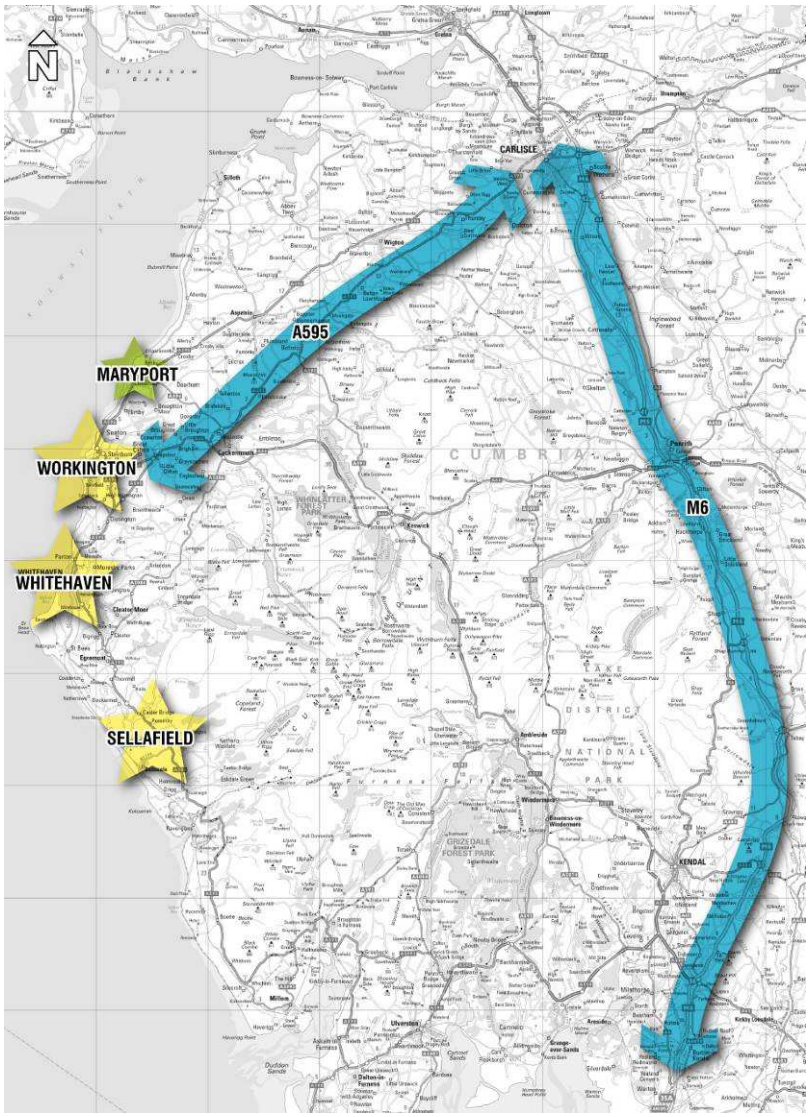
- The key economic driver within West Cumbria is Sellafield, and the Nuclear industry more generally, this includes both direct and indirect demand for B1 office, B2 industrial and B8 warehousing and distribution uses;
- The property agents consulted note that the majority of businesses that locate within West Cumbria (including both Allerdale and Copeland) are support services and contractors for Sellafield and consequently aspire to locate as close to the existing facility as they can. The agents consulted suggest that the core catchment area for this demand (primarily office and manufacturing) includes Whitehaven, Maryport, Cockermouth, Lillyhall and to a lesser extent Millom, with a number of firms requiring space proximate to the A595;
- The main office park location across West Cumbria is consistently recognised to be Westlakes Science and Technology Park;

- It is expected that the anticipated investment within the Nuclear industry adjacent to the existing Sellafield site will strengthen the core catchment area and potential of Westlakes Science and Technology Parks; and
- Whilst the distribution sector is not identified by agents to be a major market player, demand for space is anticipated to increase due to improvements and investment at Workington Harbour, with this being a key driver for this sector and therefore location factor for businesses looking to investment in the area over the plan period.

6.69 The majority of this market commentary relates to B Use class demand, i.e. B1, B2, and B8, and therefore does not specifically identify non-B Use Class drivers including tourism and leisure activities across West Cumbria, including known emerging proposals around the Derwent Forest, strengthening linkages with the Lake District National Park, and the West Lakes Extreme site near Cleator Moor. It also omits aspirations to improve retail and leisure offer within the town centres across the sub-region including specifically that within Whitehaven and Workington. A retail study is being prepared separately as part of the evidence base update to consider the latter point specifically from a quantitative and qualitative perspective.

6.70 From the commercial market agent engagement undertaken as part of the preparation of this ELR update it is possible to begin to map out the broad locations of demand over the plan period, as illustrated below.

Figure 6.17: Commercial Market Drivers



6.71 This particularly notes the relevance of Sellafield as a key driver and its core catchment area including the recognised importance of the A595 corridor and settlements within a key drive time to the north of the Sellafield facility. In addition, the Port is recognised as a B8 driver, with links to the M6 recognised as important in terms of the movement of goods from the area, and the importance of the main town centres as being sustainable locations for B development during the plan period.

On-site and off-site potential of the Nuclear sector

6.72 The analysis of econometric forecasts undertaken has identified a level of demand associated with the Nuclear sector across West Cumbria with potential on-site and off-site implications.

6.73 The analysis has isolated growth associated directly with the Fuel refining sector and not calculated specific land requirements associated with a growth in FTE employment within this sector as it is assumed that it will be accommodated either within the Sellafield or the NuGen site over the plan period.

6.74 Beyond this on-site Fuel refining driven requirement the analysis has identified a wider land requirement associated with projected employment generation within the Business services, Construction, and under the new build scenario, Engineering (Metals). Assuming that there will be an aspiration and policy/strategy response to encourage this growth to take place off-site (i.e. across the wider West Cumbria area) there is a need for the ELR to take into account these wider land requirements. This includes the potential need to accommodate an additional 15,746sqm of B1 floorspace (3.94ha), 102,840sqm B2 floorspace (25.2ha), and 7,305sqm B8 floorspace (2.06ha) to 2026 to accommodate peak levels of employment within each sector respectively.

6.75 Critically under this approach, the new build scenario does not forecast maintained FTE employment levels beyond the noted peaks. A key challenge for the West Cumbria Economic Blueprint will be delivering a strong and diversified economy including long term demand for new accommodation delivered as part of the expansion of the Nuclear industry within the medium term.

Establishing a Preferred Range of Requirements

6.76 The original ELPS considered a range of demand requirements and identified the preferred requirements to be those based on DTZ forecasts including the incorporation of information on the impact of various planned projects for West Cumbria, based on information provided by West Lakes Renaissance.

6.77 Alternative forecasts have been considered within this analysis, including a set of Experian forecasts developed specifically for this evidence base update, with inputs directly from Sellafield reflecting current and future employment levels across all relevant sectors.

6.78 The analysis of these forecasts, presented both within the Projections Paper and herein has highlighted the vulnerability of utilising them at face-value for the purposes of identifying an employment land requirement across West Cumbria. Critically this has included the recognition of the impact that including Sellafield employment changes has on overall land requirements which will in reality be accommodated on-site and therefore not result in wider employment land demand.

6.79 It is also recognised within the analysis undertaken that the comparison of past take up activity with forecast employment change (and resulting marginal and/or

negative land demand by sector) suggests that the forecasts are potentially pessimistic, or not reflective of the scale of development that has traditionally occurred across West Cumbria.

6.80 Figure 6.18 sets out the land requirements between 2011 and 2030 based on the extrapolation of past take-up rates, suggesting a requirement for circa 73 hectares of land over West Cumbria including just under 33 hectares of B1 land, 26 hectares of B2 land, and just under 18 hectares of B8 land. The commercial market engagement undertaken as part of this analysis suggests that it is difficult to divorce this land requirement from Sellafield as a market driver.

6.81 In addition, it is identified within the analysis at Paragraph 6.71 that there is a specific B1 growth potential not associated with Sellafield, which must be taken into account and planned for. This includes for an additional 0.84ha B1 development land over the plan period.

6.82 The analysis has identified that combined these land requirements should be treated as the minimum to be accommodated for the purpose of employment development over the plan period to 2030.

6.83 As a maximum, the local planning authorities should plan to accommodate a significant proportion of directly created FTE employment growth as a result of planned investment at Sellafield, off-site as appropriate (focusing on growth within the Business services, Construction, and Engineering sectors) as articulated at Paragraph 6.45 and as additional to the baseline and past take-up trend based requirements.

6.84 This equates to a range of requirements for forward planning purposes as summarised in the following table.

Figure 6.18: Low and High Range Land Requirements to 2030

	Total		Allerdale		Copeland	
Ha	Low Range	High Range	Low Range	High Range	Low Range	High Range
Office B1	33.96	37.9	8.7	10.67	25.26	27.23
Industrial B2	29.67	54.87	21.39	33.99	8.28	20.88
Warehouse B8	14.72	16.81	14.72	15.765	0	1.045
Total	78.35	109.58	**44.81**	**60.425**	**33.54**	**49.155**

NB: additional requirements generated from the econometric forecasting at a West Cumbria level have been apportioned 50/50 between Allerdale and Copeland.

6.85 In planning for this range of requirements, the high end of the range is considered to be a growth scenario specifically linked to nuclear investment as described above.

6.86 In planning to accommodate nuclear-investment linked scenario, there needs to be explicit recognition that certain elements of demand will need to be delivered within specific timeframes linked to the investment in new build nuclear. Specifically the dates associated with anticipated peak new build employment – and need to deliver the following key quantums of purpose built development to meet specific Nuclear driven demand need to be taken into consideration:

- Minimum 0.88ha B1 land (3,506sqm) by 2020 and additional 2.22 B1 land (8868sqm) by 2022;
- Minimum 8.77ha B2 land (35,064sqm) by 2020 and additional 16.56ha B2 land (66,240sqm) by 2022; and
- Minimum 2.09ha B8 land (7,305sqm) by 2020.

6.87 It is important to note that the land requirement identified within this study is different than that identified by the original ELPS, as summarised in the bullet points below:

- Annual development rates: the employment requirements articulated above for the period to 2030 take as their starting point the development rates over the five year period 2006 to 2010. The ELPS followed a similar approach but using data from 2002 to 2008 for the purposes of the analysis. As a result the annual land requirement calculated and extrapolated in the two studies are different – this ELR assumes an annual development rate of 3.19ha, compared to the 4ha assumed in the ELPS.
- Econometric forecasts: the ELPS identified the preferred econometric forecasts to be the range presented by the DTZ Baseline and Optimistic scenarios. The analysis undertaken by DTZ did not isolate the impact of Sellafield on the overall growth potential of the economy, and also critically did not consider the specific impact of decommissioning. Whilst the resulting land requirements are therefore different under the two studies, the approach followed has been the same, with this ELR based on updated forecasts. The original ELPS identified a land requirement of between 10.2ha B1, -18.4ha B2, and 0ha B8 to 2023 based, compared to the requirement of 4.78ha B1, 25.2ha B2 and 2.09 B8 land to 2030 generated from forecasts.

Part 3: Supply / Demand Dynamic

7. Balancing Supply and Demand

7.1 On the basis of the analysis presented in the previous sections it is possible to determine the market balances across supply of and demand for employment land across West Cumbria over the period to 2030.

7.2 This comparison of supply and demand to 2030 informs planning policy for economic development and is specifically concerned with ensuring that there is an appropriate and sufficient supply of employment land to facilitate economic growth over the plan period.

7.3 The original ELPS considered the balance between supply and demand based on both annual demand and total demand over the period. The report identified with the following key conclusions based on the period to 2023:

- For all uses gross past take-up rates suggest that West Cumbria at headline level has between 16 and 34 years supply either available or committed;
- Employment projects suggest there is between 18 and 20 years supply at this geography; and
- The broad message there is that within the existing committed and available supply there is sufficient land and premises to meet West Cumbria's requirements over the 15 year plan period.

7.4 The remainder of this section sets out the findings of the comparison of supply of and demand for employment land to 2030 based on the analysis presented within the previous sections of this report. Where possible as within the previous sections, the approach follows that within the ELPS.

West Cumbria Gap Analysis

Years Supply Analysis

7.5 "Years supply" analysis uses annual demand estimates to calculate the number of years supply of floorspace available now or in the pipeline (extant planning permission). As within the ELPS, this is considered in the context of the 20 year study period to 2030 to understand if there is a position of over or under-supply.

7.6 The calculations have focused on the range of demand scenarios presented as being the preferred basis for forward planning purposes identified in the previous section.

7.7 The headline demand requirements identified within the previous section have been annualised over the period 2010 to 2030 and set out in the following table.

Figure 7.1: Annualised preferred land requirements

	Total		Allerdale		Copeland	
Ha	Low End	High End	Low End	High End	Low End	High End
Office B1	1.70	1.89	0.44	0.53	1.26	1.36
Industrial B2	1.48	2.74	1.07	1.70	0.41	1.04
Warehouse B8	0.74	0.84	0.74	0.79	0.00	0.05
Total	3.92	5.48	2.24	3.02	1.68	2.46

7.8 On the basis of these annualised levels of demand it is possible to calculate years' supply of employment for broad use classes and general employment space. The following table sets out years supply in terms of available supply (i.e. vacant commercial floorspace) and commitments (i.e. sites with extant planning permission for employment use).

Figure 7.2: Total potential supply of employment land (available and committed) by Use (West Cumbria)

	Available floorspace (Ha equivalent)[4]	With permission (Ha)	Vacant land (Ha)	Total (Ha)
Office B1	1.25	0.04	43.14	44.43
Industrial B2	0.42	1.2	143.39	145.01
Warehouse B8	9.17	0.55	1.02	10.74
General Employment	-	31.16	-	31.16
Total	10.84	32.95	187.55	231.34

7.9 On this basis there is identified to be just over 231 hectares of employment land supply across West Cumbria, primarily concentrated (63% of total) within B2 industrial supply.

7.10 The following table sets out the calculated years supply by Use Class based on the figures within the previous two tables. The paragraphs following the table summarise the findings of this analysis in more detail.

[4] Available commercial floorspace has been obtained from Focus (2011), translated into hectarage using the same plot ratio assumptions as applied in the demand calculations and set out in Section 4..

Figure 7.3: Years supply of employment land by Use (West Cumbria)[5]

	Low End (Years)	High End (Years)
Office B1	26.14	23.51
Industrial B2	97.98	52.92
Warehouse B8	14.51	12.79
General Employment	-	-

7.11 On this basis the following key conclusions are drawn at headline level:

- For B1 and B2 uses across both the low end and high end ranges the analysis suggests that West Cumbria has in excess of 20 years land supply relative to annualised demand. Importantly however in the case of the B1 position, over half (63%) of the total supply is concentrated in one location – in this case at Westlakes Science and Technology Park in Copeland suggesting a potential vulnerability within the supply of B1 land relative to demand drivers over the plan period; and

- The demand and supply outlook for B8 uses is more compromised, with less than 15 years supply identified compared to annualised land requirements, suggesting potential significant shortfall during the plan period, albeit this does not take into account the 'general employment' land supply of 31hectares which cannot be classified into B2 or B8 uses for the purposes of this calculation.

7.12 The ELPS undertook a comparison of transactional activity with development activity (i.e. floorspace take-up vs land take up). The report concluded that within the office sector developer demand exceeded occupier demand, with the opposite true within the industrial sector (including general industrial and warehousing activity).

7.13 The evidence presented within Section 4, including specifically that reported at Paragraph 6.67 (Development Rates) and 6.72 (Transactions) suggests that the same conclusion continues to hold for West Cumbria: transaction and development rates within the office sector have slowed since the ELPS, alongside a comparable level of industrial transactions albeit with strengthened development rates driven by local B2 development.

7.14 Importantly the Development Rates and Transactions data as analysed previously in this report highlighted the importance of both Workington and Cockermouth as being key areas of activity, specifically for B1 uses, and Wigton and Workington, specifically for B8 uses. This emphasises the importance of ensuring land supply for employment development in these locations over the plan period.

[5] NB: Analysis assumes 100% occupation of vacant commercial floorspace within the calculation.

7.15 The following bullet points summarise the key conclusions drawn from the analysis by sector at West Cumbria scale based on this analysis.

Office

- The ELPS concluded that there is inadequate supply of available and committed office floorspace to meet requirements over the plan period, with importance of delivery of high quality office space to meet the needs of both the nuclear and other sectors over the plan period. The report identified the need to as a minimum meet past development rates in terms of land supply over the plan period.

- The update to the ELR, whilst finding a greater flexibility in terms of years of available supply relative to annualised demand requirements, recognises that a significant proportion of this land supply is concentrated in a singular out-of-town location (Westlakes Science and Technology Park), restricting choice within the market, which in itself could affect the ability to attract investment into West Cumbria. The analysis therefore concludes an ongoing potential inadequacy of land supply to meet B1a office requirements over the plan period.

Industrial

- The ELPS noted that the majority of demand for industrial land and premises is locally driven, and for smaller more cost-effective space, with noted issues with long term vacancy in high quality premises reflective of this market positioning. Demand was noted in the report for low value, second hand space, although demand is proven in established locations including Lilllyhall, Bridge End, etc. Similarly to within the office sector, the report concludes that the past development rates are the most appropriate basis for forward planning purposes, with potential to release sites that are unlikely to be developed over the plan period. The report does note the need for flexibility within the land supply for industrial uses, including specifically demand generated from the nuclear sector and its supply chain, and latent demand for smaller scale workshops.

- The update to the ELR suggests a significant capacity within the land supply for general industrial B2 requirement, but with potential undersupply noted relative to B8 requirements (over the whole period less than 15 years supply). It is recognised within the analysis that there is potential for B8 requirements to be accommodated on B2 land supply, however, it is not appropriate to assume that all of the potential shortage in supply can be accommodated in this way and/or without investment to make attractive to the B8 market. Key factors will be plot size and accessibility to the strategic rail and road links (affecting movement of goods critical to the B8 market).

Local Authority Gap Analysis

7.16 In addition to the more detailed analysis of the quantum of supply in terms of years capacity when compared to requirements, a simple comparison of requirements and supply (available land supply) has been undertaken at local authority level.

7.17 The low and high range scenarios have been considered in terms of the balance between demand and the supply of available land at local authority scale. The results of this analysis are set out below, starting with the low range land requirements.

7.18 The Industrial (B2) and Warehousing (B8) sectors have been grouped in this analysis due to the grouping of B2 and B8 land within the supply analysis (as a result of availability of data broken down to this level).

Figure 7.4: Low range[6] land requirements compared to available supply

	Total			Allerdale			Copeland		
	Supply	Demand	Balance	Supply	Demand	Balance	Supply	Demand	Balance
Office B1	43.14	33.96	9.18	7.40	8.70	-1.30	35.74	25.26	10.48
Industrial and Warehousing (B2, B8)	143.39	44.39	99	91.13	36.11	55.02	52.26	8.28	43.98
Other (Non B Use Class Employment)	1.02	N/a	N/a	1.02	N/a	N/a	0.00	N/a	N/a
Total	187.55	78.35	108.13	99.55	44.81	53.72	88.00	33.54	54.46

7.19 The following key points arise from this analysis:

- Sufficient supply of B1 office development land across the sub-region and most notably within Copeland, although as previously noted recognition that a large proportion of this supply is concentrated at Westlakes Science and Technology Park suggesting a potential vulnerability in wider B1 office land within Copeland. Allerdale is noted to have potential undersupply of 1.3ha of B1 land over the plan period compared to the low end of the range of requirements – i.e. insufficient to meet past development rates and B1 office requirements isolated from Sellafield growth in the baseline scenario. Given the drivers noted within the Development Rates and Transaction data, including the importance of Cockermouth and

Workington, and the supply of land identified within the database, there is noted to be a potential undersupply of B1 office development land of quality within these locations.

- The general balance in employment land supply noted against the low end of the range of employment land requirements includes the identification of a range of town centre office development opportunities around Whitehaven specifically. There may be viability challenges to deliver B1 office development within these locations, particularly in the short term. Policy should look to maximise office development within this context, ensuring it is retained as part of a mix of uses defined as enabling the B1 provision. The same is true across other town centre locations where B1 office development should be promoted where possible as part of an appropriate mix of uses as defined by PPS4.

- There is a noted oversupply of land classified as B2/B8 over the plan period across all geographies, likely to reflect the prevalence of general employment land across West Cumbria as recognised within the previous analysis rather than B8 land given previously noted potential shortage of land classified as B8 rather than general employment, equating to less than 15 years supply. There is a potential policy response of de-allocations to reflect this general position of oversupply where no direct relationship with Sellafield, key market drivers, or potential to deliver B1a or B8 development is noted (relating primarily to the poorest performing sites within the site assessment process). The importance of past take up activity is however noted in Wigton and Workington in Allerdale, where quality land supply should be retained to protect future potential development rates.

- Geographically, it was noted within Section 6 that the key driver of the commercial markets within West Cumbria is Sellafield, including supply chain linkages, with the importance also in the context of the B2 and B8 markets of access to labour and customer markets. For the general industrial B2 market local supply is primarily driven at settlement level rather than strategic employment locations. The analysis noted the importance of Whitehaven, Workington, Maryport, Cockermouth, Lillyhall, and to a lesser extent Millom in this context, alongside the potential importance of sites along the A595 as a key route through West Cumbria.

7.20 The figure below sets out the high range land requirements compared to the available land supply position at local authority level.

[6] 'Low range' is defined as take-up based *plus* baseline decommissioning requirements as set out at paragraphs 6.25 to 6.34.

Figure 7.5: High range[7] land requirements compared to available supply

	Total			Allerdale			Copeland		
	Supply	Demand	Balance	Supply	Demand	Balance	Supply	Demand	Balance
Office B1	43.14	37.9	5.24	7.40	10.67	-3.27	35.74	27.23	8.51
Industrial and Warehousing (B2, B8)	143.39	71.68	71.71	91.13	49.76	41.38	52.26	21.93	30.33
Other (Non B Use Class Employment)	1.02	N/a	N/a	1.02	N/a	N/a	0.00	N/a	N/a
Total	187.55	109.58	77.97	99.55	60.43	38.11	88.00	49.16	38.85

7.21 The following key points arise from this analysis:

- Generally in terms of a position of over/under supply, a similar position is identified as with the low range comparison, but the conclusions drawn are more pronounced (i.e. the noted shortage of B1 land within Allerdale is more acute under this scenario with the analysis again noting the importance of past take up activity within the centres of Cockermouth and Workington in this context, and the capacity of B1 land within Copeland is less pronounced under this scenario). Critically, under the high end of the range there is less flexibility within the B1 land supply compared to demand – i.e. there is less 'headroom' within the supply above the requirements, and the same remains true of the concentration of a large proportion of the supply in one location. This emphasises to an even greater extent the pressure on retaining the potential to deliver B1 floorspace within urban centre allocations across West Cumbria, including Whitehaven, Cockermouth, and Workington. This is vital under the high end range of the requirements to accommodate aspirations to locate Sellafield-specific employment opportunities where appropriate off-site.

- Whilst the analysis has suggested sufficient land supply to accommodate B1 uses over the plan period, the vulnerability of the supply position specific to this use is noted – relative to both the drivers of demand (including the noted importance of urban centre locations within the commercial market analysis in Section 6 including specifically Cockermouth and Workington in Allerdale) and concentrations of supply. This highlights the potential importance of additional land supply to provide sufficient market choice responding to key drivers

[7] 'High range' is defined as take-up based *plus* new build plus requirements as set out at paragraphs 6.42 to 6.52.

including the significance of the additional sites considered within Section 3 where B1 office development potential was noted. This includes Ginns Depot, All 11F (Lillyhall infill), All28 (Land to North East of Derwent Howe), and C32 (Adjacent to call centre) specifically noted as having potential in this context.

Impact of Potential Nuclear Investment on the Supply / Demand Balance

Sellafield

7.22 Through consultation with the local authorities it has been established that there are aspirations to accommodate as many as 1,500 workers off-site rather than within the confines of Sellafield, therefore representing a wider driver of land requirements across West Cumbria. The Economic Blueprint states a specific aspiration to accommodate a significant proportion of this demand within the town centres, primarily Whitehaven, dependent on floorspace coming forward.

7.23 It is understood that the Council's preferred location for this activity within Whitehaven is Albion Square, a 100,000 square foot office complex development within the town centre. Other potential destinations to accommodate the workforce outside of Sellafield include Westlakes Science and Technology Park.

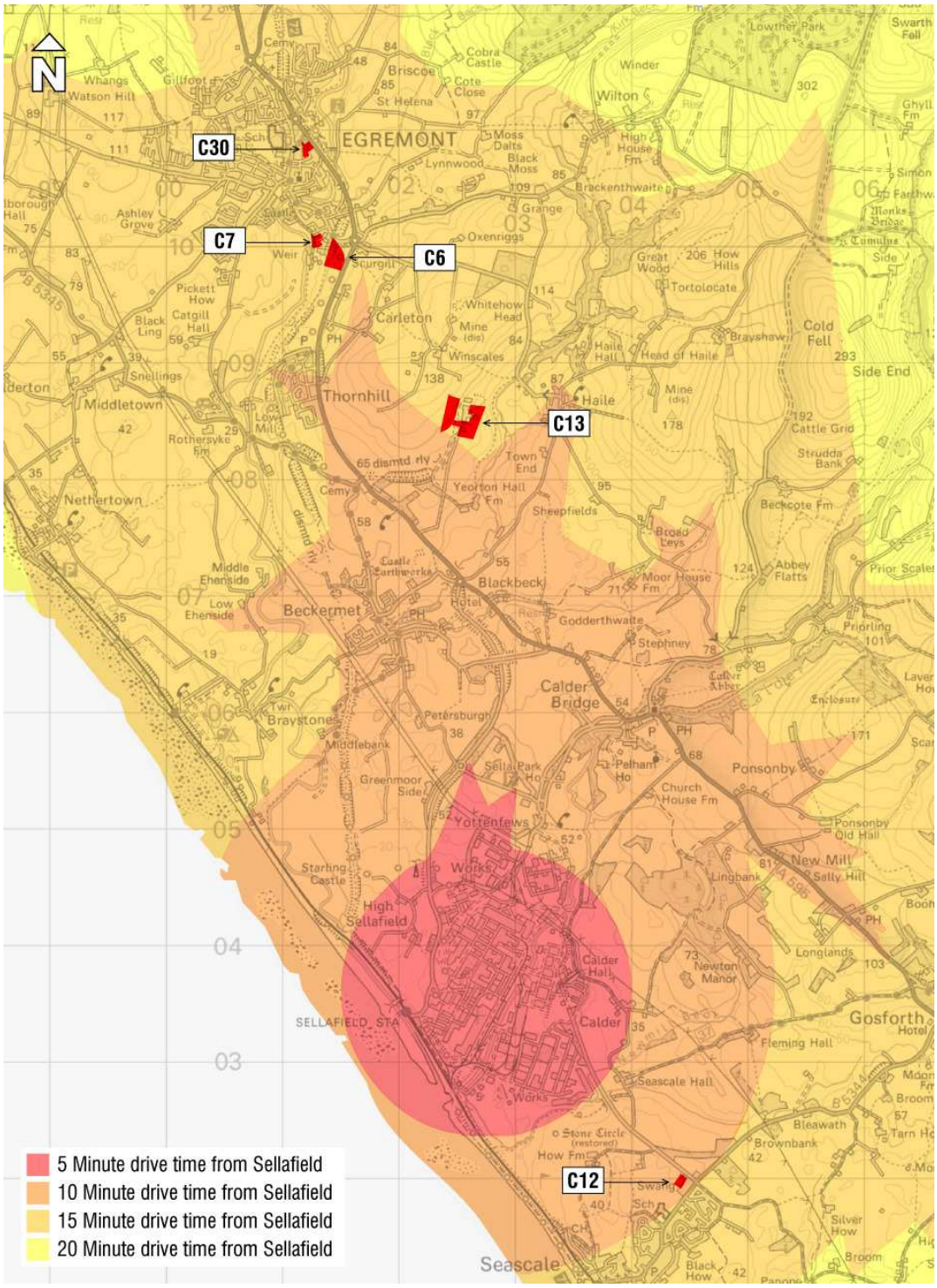
7.24 There are further potential Sellafield projects identified under the Nuclear Investment Scenario and detailed within the Nuclear Topic Paper which may have implications for land use within the existing Sellafield site over the plan period.

Nuclear New Build

7.25 As part of the analysis of the potential of each of the employment sites across the sub-region we have mapped drive-time distances from Sellafield. The drive-time zones identified include: <5 minutes; 5-10 minutes; 10-15minutes; and 15-20minutes. It is assumed within this analysis that the majority of spin-off and supply chain opportunities associated with the lack of development capacity within the existing Sellafield boundary will occur in locations more proximate to the existing operations. The analysis also recognises that under a Nuclear New Build Scenario (covered in more detail within Section 4 and the Projections Paper) there is potential to accommodate some employment growth within key sectors 'off-site'.

7.26 The mapping exercise has assumed the centre-point of Sellafield as being the reference point for driving distances. The majority of the within 5minute drive-time zone covers the Sellafield site itself.

Figure 7.6: Sellafield Drive Time Mapping



7.27 The following sites have been identified as being potentially important in this context:

- C12 Cross Lane: Within 5 – 10 minute drive-time of Sellafield; 0.7ha of development land available; Overall score against criteria found to be poor, driven by particularly poor performance against sustainable development criteria. The current market attractiveness score could be enhanced by nuclear opportunities, however, there is limited scope for development of scale on the site.

- C13 Beckermet Industrial Estate: Edge of 5-10minute/10-15minute drive-time of Sellafield; 2.57ha of development land available; Overall score against criteria found to be poor, driven by consistently poor performance across all three of the criteria groupings although nuclear potential has not been taken account of within the scoring which potentially underplays its potential; Recognised to have B1/B2/B8 development potential.

- C6 Bridge End Industrial Estate: Between 10-15minute drive-time of Sellafield; 0.96ha of development land available; identified to be one of the best performing sites across the sub-region as considered against the criteria (ranked 3rd); the estate is considered to be well located off the A595, and an established business area, the scoring does reflect noted potential for synergy with the nuclear sector over the plan period.

- C7 Bridge End Industrial Estate Extension: Between 10-15minute drive-time of Sellafield; 2.9ha of development land available; site does not score as highly as the land remaining on the main estate, largely a reflection of the fact that demand and market attractiveness is largely subject to the main site being fully developed out before future phases are brought forward; scale of the extension site alongside the drivers of the score for the main site suggest opportunity to align delivery potential with nuclear sector.

- C30 Rear Main Street, Egremont: Between 10-15minute drive-time of Sellafield; 0.88ha development land available; considered within the analysis to be a moderate site in overall score terms; B1 development potential noted on the site in the longer term; considered to be a primarily local site, with limited scale; performs well in terms of sustainable development with good connectivity to public transport provision, etc.

- C10 Cleator Mills: Edge of 10-15minute drive-time of Sellafield; 2.76ha development land available; site found to have a poor score overall within the analysis; moderate performance against market demand criteria, location / access to public transport provision brings down the sustainable development score, site has limited alignment with strategic planning criteria although potential

nuclear sector potential has not been taken into account; identified longer term potential for B1 development on the site.

- C1 Westlakes Science and Technology Park: Just outside of 15minute drive-time of Sellafield; 27.96ha development land available; strategic employment site, one of strongest performing sites across the sub-region, scores well against market attractiveness criteria, B1c development potential noted, direct nuclear potential not taken into account within the scoring exercise.

- C3 Sneckyeat Road: Between 15-20minute drive time; 1.72ha development land available; local employment site, performs moderately against identified criteria, jointly ranked as 16 across the sub-region, scores particularly well against sustainable development criteria including as a result of its proximity to resident population, and site being well connected off A595.

- C28 BT Depot: Between 15-20minute drive time; 0.9ha development land available; town centre employment site, performs moderately well against identified criteria jointly ranked as 16 across the sub-region, scores particularly well in terms of sustainable development and strategic planning given its town centre (Whitehaven) location;

- C14 Pow Beck: Between 15-20minute drive time; 8.24ha development land available, performs moderately well against identified criteria ranking 13 across the sub-region, scores particularly well against sustainable development and strategic planning criteria, suitable for general employment uses (B1, B2, B8).

- C29 Coach Road: Between 15-20minute drive time; 0.63ha development land available, performs moderately well against identified criteria ranking 30 across the sub-region, moderate performance particularly noted against sustainable development and strategic planning criteria, site considered to have B1a development potential.

- C8/9 Leconfield / Leconfield Extension: Between 15-20minute drive time; 2.47ha/5.28ha development land available respectively, C8 performs moderately against the identified criteria with C9 performing fairly poorly in comparison, in both cases the weakest performance noted is against market attractiveness factors although the potential for development / market uplift associated with the nuclear industry has not been factored in to this assessment at this stage.

- C11 Frizington Road: Between 15-20minute drive time; 0.92ha development land available, performs moderately against the identified criteria ranking at 43 across the sub-region, including consistent moderate performance across the three groupings of criteria, site identified to be suitable for B1, B2 uses.

- C31 Market Square: Between 15-20minute drive time; 0.18ha development land available, local employment site, moderate performance against identified criteria ranking 42 across the sub-region, potential of the site considered to be limiting in market attractiveness terms but noted to have potential for B1a development over the plan period.

7.28 In addition, the ELR recognises the importance of a number of the sites around the Port of Workington as being a key arrival point linked to the Nuclear industry, based on their proximity to this arrival point. For example, the Nuclear Topic Paper prepared by SKM as part of the wider evidence base update suggests likely requirements for 'lay-down' areas for the site preparations / pre-construction works stage. This is likely to include demand for secure sites with good transport links, with demand likely to emerge for these lay-down areas. As a result the cluster of sites in and around Workington are seen as potentially important sites associated with the future growth of the Nuclear industry across West Cumbria. This includes: All 16, All 12, All 13, All 11, All 14, All 28, All 2A-C, and All 1A-F (Lillyhall).

7.29 Whilst a 20 minute drive time has been applied within the analysis, some elements may be appropriate on other sites in larger conurbations across West Cumbria in addition to sites linked to the route from the Port to Sellafield, with the potential for 'laydown' facilities including, for example, Lillyhall.

Supply-Chain Considerations

7.30 There are wider supply chain opportunities across West Cumbria that could impact upon demand requirements beyond directly diverting employment from Sellafield to alternative sites across the area.

7.31 In the absence of more detailed information relating to Sellafield specifically, the Nuclear Topic Paper at Section 8 considers three comparative case studies which support an assumption around supply chain potential across West Cumbria. The Hinckley Point case study identifies associated off-site development as part of the development programme including: park and ride facilities; freight consolidation / storage facilities; and temporary laydown and storage facilities on land adjacent to Combwich Wharf.

7.32 Wider supply chain potential is therefore recognised to be a driver of demand and therefore employment land over the plan period.

8. Conclusions / Implications

8.1 The ELPS identified two broad categories of intervention in response to the need to ensure through the evidence base that there is a mix of sites appropriate to current and future demand generated by a range of occupiers, whilst also allowing a degree of flexibility.

8.2 The two broad categories identified within ELPS were:

- Policy interventions: to provide the framework for planning and economic development policy and align local, county and regional activity. These are split between cross cutting policy interventions and site based policy interventions; and
- Site specific recommendations: relate to the categorisation of the sites and indicate approaches to improve the qualitative performance of sites and balance the overall portfolio of supply.

Policy Interventions

8.3 The ELPS identified a range of policy interventions, all of which continue to be supported within this ELR update including:

- Quality of environment: raising the quality of public realm at specific sites and generally throughout industrial areas to enhance investor perceptions including a focus of environmental enhancements in sites identified to be priorities for investment and management based on the site specific recommendations;
- Quality of life: encompassing a range of factors important in driving inward investment including housing, education, leisure and cultural facilities. With a focus on the role of Key Service Centres in enhancing the overall West Cumbria offer, and reducing hot-spots of demand, the ELPS noted the importance of enhancing quality of life through consideration of alternative uses for employment sites;
- Quality of build: recognition of the correlation between the standard of construction / design and the possible rental values achievable, alongside a recognition of low values across West Cumbria acting as a viability constraint on increasing quality;
- Home working: recognition of the difficulty of predicting the impact of home working on the demand for employment land and premises, but identification of

the importance of having policies to promote home working as it reduces pressure on land and transport infrastructure. The ELR update does take into account homeworking within the calculations to the extent of applying the latest employment density figures which in part take this trend into account. The ELR also notes the importance of Broadband delivery and continual enhancement across West Cumbria to support the practice over the plan period;

- Promote alignment across public sector agencies: ensuring consistency across agencies that influence employment land within West Cumbria to avoid potential conflict / duplication regarding the role of sites, their priority and/or proposals for investment;

- Supporting business start-up and growth: supporting growth and diversification of the economy through nurturing the emergence and growth of indigenous businesses and attracting inward investment is a key policy objective. Ensuring the availability of appropriate accommodation and facilities is an essential aspect of the overall business and enterprise support package; and

- Supporting nuclear sector: Allerdale and Copeland local authorities must ensure that the employment land and premises portfolio meets the needs of the nuclear sector in order to support this policy and facilitate the growth of the sector. As part of the wider work undertaken as part of the Evidence Base update thinking around the support required for the nuclear sector has developed, including specific recommendations within the Nuclear Topic Paper. As outlined within Section 6 of this report, both Allerdale and Copeland Council have the opportunity to attract nuclear investment from the Sellafield site – as direct nuclear sector employment – to wider employment sites relating to specific sectors including Business services, Engineering (metals), and Construction.

8.4 In addition to the key policy issues / interventions identified within the ELPS the following have been identified as part of this ELR update:

- Promoting and protecting supply chain linkages: There are clear opportunities associated with promoting supply chain linkages associated with the nuclear sector across West Cumbria. The analysis undertaken as part of this ELR update supports the assumption that there are already significant supply chain linkages – evidenced specifically for example through the commercial market engagement which suggested that the majority of enquiries and transactions are from businesses linked to Sellafield as the key driver of the economy. Continuing this trend will ensure that occupation rates of commercial property will maintain across Copeland and Allerdale. However, with this approach also comes vulnerability including the exposure of the local economy to changes within the

nuclear sector in the long term. As a result there is a need to provide continued specific business support to retain investment in the economy where possible.

- Non-B employment development: although directly outside of the remit of the ELR under the Guidance Note, PPS4 recognises a wider definition of employment to include activity outside of the traditional Non-B Use Class Order activities. The ELR update has identified two key roles for Non-B employment development. Firstly, there is a potentially critical enabling role for Non-B employment development to support the delivery of B Use Class employment and specifically B1a development on urban centre sites where viability is a challenge in the short to medium term. Secondly, given the noted oversupply of general employment land, there is capacity for potential Non B employment development to be supported where it can be evidenced that the supply cannot accommodate demand including B1 and B8 requirements where shortfall has been identified.

Site Based Policy Interventions

8.5 The ELPS identified a number of site based policy interventions including those summarised below which directly informed site specific recommendations across the existing land supply including the categorisation of sites against intervention principles including: priority; retain; management; town centre; consider alternatives; de-allocation.

- De-allocation: sites that are very poor quality and/or better suited to alternative uses should be de-allocated in order to reduce the quantitative oversupply and allow resources to be focused on sites that are better prospects, although not to the detriment of the overall portfolio of supply;

- Loss of employment land: need to respond more pro-actively to sites as they arise through negotiations with owners / agents and preparation of supplementary planning documents or development briefs to clearly establish the parameters for redevelopment. The opportunities to retain the sites in employment use through refurbishment / reconfiguration of space should be considered alongside the scope for alternative uses to enhance the overall quality of life in the area;

- Refurbishment/reconfiguration: recognition that some of the existing employment stock is too large or outdated to meet the demand of occupiers, with the need for public sector support for refurbishment and reconfiguration of such premises through policy and funding;

- Town centre office accommodation: the lack of office accommodation in the town centre is a particular weaknesses in the existing employment portfolio including the need to enhance the availability of quality office accommodation

in the key town centres through encouraging refurbishment / conversion of town centre premises to respond to increasing demand for town centre locations over and above business park locations.

- Potential additional land allocations: the analysis has identified a degree of mismatch in supply and demand in certain locations, including the importance of transactional and take-up activity associated with the B1 office sector compared to a relative shortage of future development opportunities. Potential to identify additional land supply to meet future need within this area should be considered. The analysis has specifically identified the need for 0.84ha of land in Allerdale for B1 development, separate from Sellafield-associated demand.

8.6 In addition to the four site-based policy interventions identified within the ELPS the following specific recommendations have emerged from this ELR update:

- High density urban centre office development: the calculation of B1a land requirements undertaken within the ELR is based on a relatively low density plot ratio assumption (40% - equating to pavilion style office buildings). By encouraging development at a higher density it is feasible that the total land demand figure will reduce (i.e. delivering the same amount of floorspace on a lower quantum of land). There is a clear recognition that viability challenges in the town centres may require enabling development as part of a mix of uses. A potential policy stance on this could be a degree of flexibility in mixes, but with the need to evidence 'true' enabling development (i.e. open book development appraisals) including the maximisation of B1a development on allocated employment sites.

- Identification of mixed-use development sites: the ELR has identified the opportunity to re-profile appropriate employment sites away from general allocations towards either mixed use (including the potential to promote the use of enabling development identified above) and /or pure B1a developments. This is particularly critical for town centre / edge of centre sites which could feasibly include B1a development as part of a mix if brought forward in the medium term.

- Prioritising B8 development: the analysis of the dynamic between supply and land requirements over the plan period within Section 7 identified a potential shortfall with B8 land supply, albeit alongside a recognition that a large proportion of the land supply is categorised as general employment land which in some cases could be re-profiled to meet this need. It is recommended that the delivery of B8 development opportunities is supported on sites that align with key drivers within this sector, including those with good strategic transport links / proximity to rail freight access points.

- Supporting employment development in recognised hubs: the analysis has identified that whilst historic take up and transactional activity has been subdued in recent years due to the changing economic climate, trend based data identifies the importance of key hubs including Cockermouth for B1 activity in Allerdale and Whitehaven in Copeland and Wigton, Workington and Cockermouth for B2 and B8 activities. The ELR update supports employment development in these hubs over the plan period with the need to protect and ensure employment land supply to accommodate potential future requirements.

8.7 The ELR update has identified an amendment to the site based intervention principles identified within the ELPS, recognising the need to identify sites that have a specific opportunity associated with the nuclear sector, to be classified as: nuclear-linked sites. The ELR also recognises that there may be a need to identify additional allocations alongside potential de-allocations to support the re-profiling of the land supply to ensure adequate and sufficient supply over the plan period.

8.8 As a result, in addition to the site specific recommendations included within the ELPS, the following 'Nuclear-linked sites' have been identified within the land supply, detailed at Paragraph 7.27. These sites are seen to have specific potential to accommodate nuclear linked activity off-site (i.e. relocating employment activity from Sellafield), and supply-chain links associated with the various scenarios of growth as set out. Each of the sites also has the potential to meet local need / general employment requirements over the plan period.

- C12 Cross Lane
- C13 Beckermet
- C6 Bridge End
- C7 Bridge End Ext
- C30 Rear Main St
- C10 Cleator Mills
- C1 Westlakes
- C3 Sneckyeat Road
- C28 BT Depot
- C14 Pow Beck
- C29 Coach Road

- C8/9 Leconfield / Leconfield Estate
- C11 Frizington Road
- C31 Market Square

8.9 In addition, there is recognised potential to also identify town centre sites as Nuclear priorities with specific reference to B1a potential. This aligns with one of the key conclusions drawn within the ELR update around potential vulnerabilities within B1a supply outside of Westlakes Science and Technology Park – and the potential role of the town centres in meeting this requirement, particularly in maximising B1a provision as part of mixed use developments.

8.10 The ELR also recognises the importance of a number of the sites around the Port of Workington as being a key arrival point linked to the Nuclear industry. As a result the cluster of sites in and around Workington are seen as potentially important sites associated with the future growth of the Nuclear industry across West Cumbria. This includes: All 16, All 12, All 13, All 11, All 14, All 28, All 2A-C, All 25 and All 2.

Proposed de-allocations

8.11 The findings of this updated ELR concur with the ELPS report with the following exceptions:

- Suggest retention of Beckermet and extension due to proximity to Sellafield and drive-time relationship;
- Suggested de-allocation of All26 Land south of Carlisle Road – identified to be a poorly performing, isolated site, no recognised correlation with nuclear / B1a / key drivers;
- Suggested de-allocation of All8 East Causeway Head Silloth Airfield – identified as management site in the ELPS, suggested de-allocation as part of this update given oversupply picture / isolated nature / no market drivers;
- Suggested de-allocation of All 24 South of A596, Prospect – isolated site, not considered in original study, no relationship with key drivers identified, findings of site assessment suggests site is uncertain to come forward within the plan period; and
- Suggested de-allocation of All27 Abbey Road (N Side) east of Wheatsheaf Inn – findings of site assessment as with All24.

Proposed additional allocations

8.12 As concluded within Section 7 of this report, there is a potential undersupply of B1a land supply outside of Westlakes Science and Technology Park, with the need to maximise office development activity across urban centres within West Cumbria.

8.13 The ELR has considered the potential contribution that the available land at Ginns Depot could make in terms of B1a development as part of a mix of uses. The potential of Ginns Depot is considered in more detail at Paragraph 3.24. As a result of the identified potential relative to the requirement for B1a office development land it is recommended that Ginns Depot be allocated for employment development, recognising the potential need for a mix of uses as enabling development on the site.