

Economic Growth Scrutiny Panel

Agenda
Item:
A.4

Meeting Date: 30th November 2017
 Portfolio: Economy, Enterprise and Housing
 Key Decision: Not Applicable
 Within Policy and Budget Framework YES
 Public / Private Public

Title: Housing Delivery and St. Cuthbert's Garden Village Updates
 Report of: Corporate Director of Economic Development
 Report Number: ED 40/17

Purpose / Summary:

To present the Panel with an update on these important workstreams and to invite contributions to their emerging direction whilst scrutinising progress.

Recommendations:

1. To note existing efforts and contribute to emerging thinking regarding actions to help increase and accelerate housing delivery.
2. To note and scrutinise progress with regards to the planning of St. Cuthbert's Garden Village.

Tracking

Executive:	N/A
Scrutiny:	30/11/17
Council:	N/A

1. BACKGROUND

- 1.1 Housing is a cornerstone of Carlisle's growth ambitions. Economic growth will bring many more people into the District. New and existing employers need to be able to attract and retain talent. New housing will support workforce and population growth as identified in the Cumbria Skills Plan. It will also help to rebalance age profiles across the City to grow the working age population, ensuring that new as well as existing jobs can be filled. New affordable and high quality housing will also allow young people to take up opportunities and attract skilled people to generate wealth.
- 1.2 The Carlisle District Local Plan (2015 – 2030) pursues the highest levels of housing growth in Carlisle's recent history. The Local Plan spearheads these efforts through the allocation of land for housing development, with the identification of St. Cuthbert's Garden Village a key element of the longer term strategy.
- 1.3 Carlisle's ambitions align with the well-established Government priority to build more new homes faster. The recent Housing White Paper – Fixing Our Broken Housing Market – reinforces this and sets out measures to further boost an increased and accelerated supply of new homes. New garden settlements feature prominently within the Government's thinking.
- 1.4 It must be recognised that the allocation of land for housing, whilst positive, does not in itself guarantee the delivery of new homes. The reality is that the City Council, working with other key public sector partners, needs to consider how opportunities are promoted and work to create the right conditions within which investment in sites will follow.
- 1.5 The City Council are developing an updated Housing Strategy. A key focus of this will be setting out the actions needed to help increase and accelerate the supply of new homes. Notwithstanding the development of this strategy, good work is ongoing, with good progress also being made on advancing the planning of St. Cuthbert's Garden Village.

2. EMERGING GOVERNMENT POLICY

- 2.1 Housing remains a key government policy with a consensus across the main political parties that there is a need to deliver more new homes faster. Wider reforms include freeing Registered Providers to deliver more affordable housing as well as a bottom up comprehensive review of social housing included how it is funded and delivered. Many changes to aid realisation of the Governments

emerging new housing objectives were set out in a recent white paper 'Fixing Our Broken Housing Market', with proposals grouped around the following key themes:

- Planning for the right homes in the right places;
- Building homes faster;
- Diversifying the market; and
- Helping people now.

- 2.2 From a delivery perspective, national policy requires local authorities to plan to meet objectively assessed housing needs in their area. It also requires local authorities to have in place a five-year deliverable housing land supply. This means being able to point to a number of sites which can be demonstrated to be suitable for housing development, available for housing development (i.e. there is a willing land owner) and achievable (development must be viable) with a realistic prospect that a specific number of new homes will be delivered within the next five-year period. The absence of a five-year land supply results in the default presumption in favour of sustainable development set out in national policy taking effect, essentially running rough shod over local policies concerned with housing supply.
- 2.3 The Government have indicated that they are likely to replace the need to demonstrate a five year land supply with a housing delivery test, the precise details of which are yet to emerge. This move has been welcomed by most local authorities as it will ensure a transition to the application of the national default favour in presumption of sustainable development, giving local authorities the opportunity to intervene to bring delivery back on track. Where land supply is becoming marginal by way of an assessment against a local housing target set out in local plans, the test will require local authorities to develop and implement a delivery action plan. Notwithstanding a formal requirement to do so, a delivery action plan is for most authorities a sensible approach which many authorities, including Carlisle, currently do informally in any event.
- 2.4 Confirmation regarding what will be taken forward and the precise details regarding how and when new policy and initiatives will be implemented are still awaited, but expected towards the end of the financial year. The pace of progressing an updated housing strategy for the City Council has been slowed in order to be able to have regard to emerging Government policy. It is hoped that pace will pick back up in early 2018 once clarity on emerging Government policy and the finer details of implementation begin to emerge. It would be illogical to proceed with the housing strategy in ignorance of what are significant changes at the national level.

3. RECENT DELIVERY

- 3.1 The Carlisle District Local Plan identifies a need to deliver a minimum of approximately 9,600 new homes between 2013 and 2030. The Plan sets out a 'stepped' housing target, responding to evidenced needs, which requires 478 net new homes a year between 2013 and 2020 and 626 net new homes a year between 2020 and 2030.
- 3.2 Historic net completions are illustrated through Figure 1. As can be seen record levels of net completions, exceeding the Local Plan target, have been recorded in the past two consecutive years. This owes directly to having an up to date Local Plan.

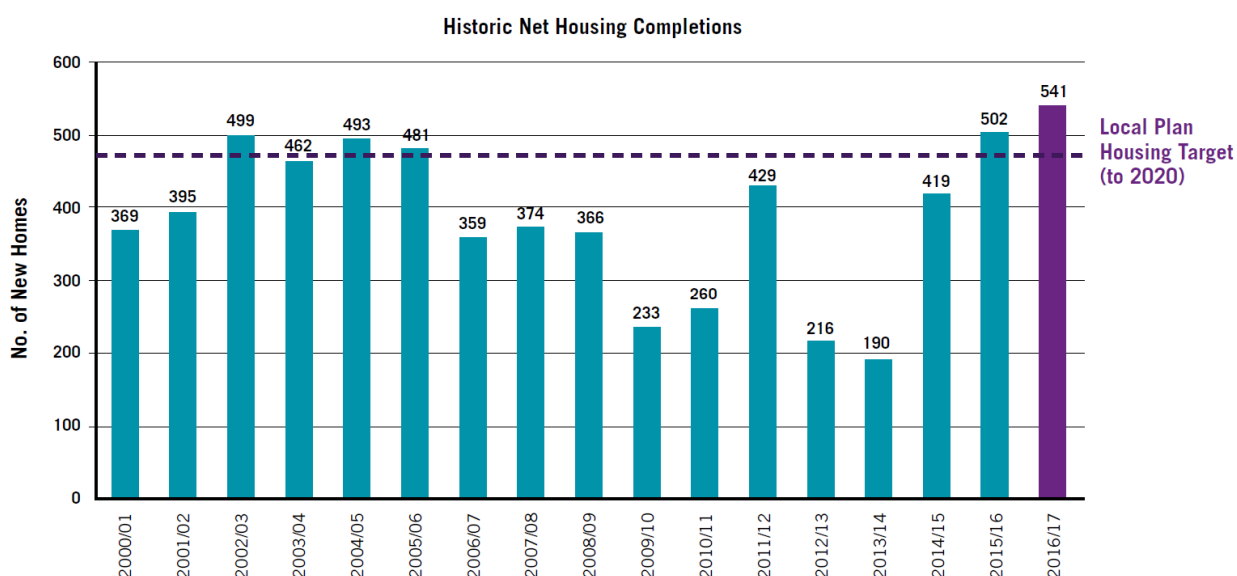


Figure 1 – Historic Net Housing Completions

- 3.3 One of the key challenges in sustaining current delivery rates, and importantly increasing them to ensure the Local Plan target from 2020 onwards is met, will be attracting new developers to Carlisle. This reflects that there is a direct correlation between the number of net new homes and the number of delivery outlets active on the ground in any location.

4. ATTRACTING NEW INVESTMENT

- 4.1 As part of wider place branding and efforts to raise the profile of the City, spearheaded by the Carlisle Story, the need to tailor promotional material for the house building industry has long been apparent. In response to this the City Council worked with Lichfields to develop a prospectus entitled 'Help Us to Build Our

Growing City'. Whilst Lichfield supported the research and editorial element of the work, the Prospectus was designed in house and utilised the well-established Carlisle Story branding. A copy is appended to this report.

- 4.2 The Prospectus was launched at a Royal Town Planning Institute (RTPI) housing event in the City on 27th September. The presence of this event in the City was a major coup given that it has never before strayed from Manchester. Officers worked hard and closely with the RTPI to make this happen. Whilst aimed at members of the Institute as a key continuing professional development event, key speakers included the Director of Planning from Communities and Local Government and as such it was a platform upon which to raise the profile of the City.
- 4.3 The intended audience for the Prospectus is the board room of housing developers and other investors. Already it has succeeded in generating interest from new developers and land agents. It aims to raise awareness of the investment opportunities in Carlisle and to demonstrate the very favourable existing conditions for growth. Ultimately it aims to demonstrate that there has never been a better time to invest in Carlisle. The Prospectus is available on the Council's website.
- 4.4 In terms of next steps consideration is being afforded to how best to target investors and developers to promote the City, using the Prospectus to instigate a conversation. This thinking is being supported by Lichfields and contact has been made with the Home Builders Federation. Beyond this consideration is also being afforded to how best to support and grow small and medium builders, which is an emerging key Government objective.
- 4.5 Discussions are also ongoing with Registered Providers to understand how their efforts can be supported. In addition a self and custom house building event is being scoped to bring together interested parties to consider how this agenda can be progressed. Finally, there are early discussions with other Cumbrian Districts about better coordinating efforts to help promote Cumbria to a wider and more diverse range of housebuilders, as well as wider actions to accelerate development aided by the Homes and Communities Agency.

5. ST. CUTHBERT'S GARDEN VILLAGE

- 5.1 Members will be aware that the Executive approved a governance structure for the St. Cuthbert's project in May of this year, at the same time approving an indicative expenditure profile and a key overarching project structure comprised of four key

strands as follows: Planning; Masterplanning; Carlisle Southern Link Road; and Delivery.

- 5.2 Governance arrangements (appended to this report) are now well embedded and working well. The Strategic Board is succeeding in ensuring that the project has the buy-in of and profile amongst key public-sector partners. The cross-party Member Advisory Group is now up to speed on the project aided by a site visit and tour which was well received. Most recently this group has reviewed and contributed to a draft emerging Communication Plan for the project.
- 5.3 The project steering group continues to lead on advancing key works streams and day to day project management. This task has been made easier through the appointment of a part time project support officer who has been in post since June. Previously secured government funding is also enabling continued specialist advisory support from HYAS Associates.
- 5.4 Below the project steering group a number of task and finish groups have been established. Each has clear terms of reference. These groups and their current focus are as follows:
- Infrastructure and Viability – infrastructure provider engagement and development of a high-level viability model.
 - Land Assembly – land ownership analysis and development of a land owner engagement strategy.
 - Low Carbon – scoping a way forward to understand the feasibility of and benefits of and opportunities to deploy low carbon energy networks.
 - Communications – development of a communications plan and protocol.
- 5.5 In addition to the above officers continue to support the County Council in progressing feasibility work on a new Carlisle Southern Link Road as an integral part of the garden village programme. This included the development of a bid to secure capital funding for the delivery of the road through the Government's Housing Infrastructure Fund.
- 5.6 In terms of the masterplanning of the site, a bespoke consortium of consultants has recently been appointed, following a competitive tender process, to assist the Council in progressing the first phase of this work. This will see a vision developed for the garden village and importantly start to consider and assess concept options in terms of where within the broad area development should be focussed and what

form it should take. Public and stakeholder engagement has been placed at the forefront of this work with public engagement to commence early in 2018.

5.7 Alongside and supporting the development of the concept options is a sustainability appraisal with consultants now appointed to lead on this specialist and statutory area of work. Engagement in early 2018 will invite comments on the scope of this work.

5.8 In conclusion it is considered excellent progress is being made in advancing what is amongst the most complex projects currently being advanced by the City Council. Momentum has been aided by previously secured government funding, with the 2016/17 garden village capacity funding allocation of £228,000 now largely committed. A bid for additional capacity funding was submitted in August. Whilst the 2016/17 allocation was divided equally amongst those in the programme, the 2017/18 allocation is to be awarded on a competitive bidding basis. An announcement on successful bids is expected as part of or close to the Autumn Statement budget announcement.

6. CONCLUSION AND REASONS FOR RECOMMENDATIONS

6.1 Increasing the supply of new homes is central to the Council's growth ambitions. Consequently, it is an area which it is important to regularly update Members on and upon which scrutiny is welcomed. The same is true of St Cuthbert's Garden Village which in addition to supporting local growth ambitions, affords the potential to raise the profile of Carlisle on the national stage.

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Ext: 7160

Appendices attached to report: 'Help Us Build Our Growing City' Prospectus
St. Cuthbert's Garden Village Governance Structure and Overview
St. Cuthbert's Garden Village 'The Story So Far'

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

- **Not Applicable**



CARLISLE

Help us Build our Growing City



Introduction

The recently adopted Carlisle District Local Plan (2015-30) sets an ambitious house building target, aiming to deliver over 9,500 new homes by 2030, equating to an annual average of 565. To facilitate this growth Carlisle City Council has allocated sites across the District, complementing an attractive pipeline of already consented developments.

The land supply includes a large number of greenfield 'ready-to-go' viable sites across urban and rural locations, with a range of site sizes aiding diversity. The Local Plan target represents the highest growth level in Cumbria and constitutes a 20% uplift in the current housing stock.

Carlisle is also home to a Government backed Garden Village. St Cuthbert's is the largest of the 14 Garden Villages in the country and is an exciting and ground breaking project aiming to deliver up to 10,000 new homes, alongside new employment opportunities. This substantial level of growth will be supported by upgrades in infrastructure, and has cross-party and strategic partner support.

Carlisle City Council has worked alongside Lichfields to develop this prospectus, which we believe highlights that there has never been a better time for developers to gain a foothold in Carlisle. We are keen to work with housebuilders and developers to bring sites forward to deliver Carlisle's ambitious development targets. This document represents the start of a dynamic conversation.



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Carlisle in Context

Carlisle, the City of the Lakes, is the regional capital of Cumbria, and the economic capital of an area expanding into south west Scotland, encompassing 500,000 people. Located in the north west of England, Carlisle is only 10 miles from the Scottish border - the nearest city neighbours are Newcastle (58 miles to the east); Lancaster (68 miles to the South); and Glasgow (96 miles to the north).

Carlisle is a vibrant historic city; the urban focus of Cumbria’s population; a key economic driver; a sub-regional retail, leisure and cultural destination; and is home to the University of Cumbria.

Many of Carlisle’s strengths are closely linked to its location, its physical infrastructure and the quality of its urban and rural environments. The city enjoys excellent north-south road connectivity via the M6 and is similarly advantaged by west to east road and rail links. With a principal train station on the West Coast Main Line, London is under three and a half hours by direct services to the south with Glasgow and Edinburgh an hour to the north. Carlisle Lake District Airport continues to grow and is being actively developed as a regional gateway for passengers.

Planned infrastructure investments will further enhance Carlisle’s connectivity, increasing the city’s sphere of influence.

Existing Housing Stock



50,000+

(Source: ONS Census 2011)

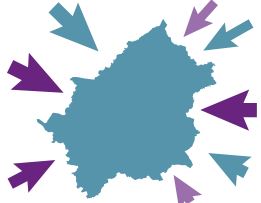
Population



108,200

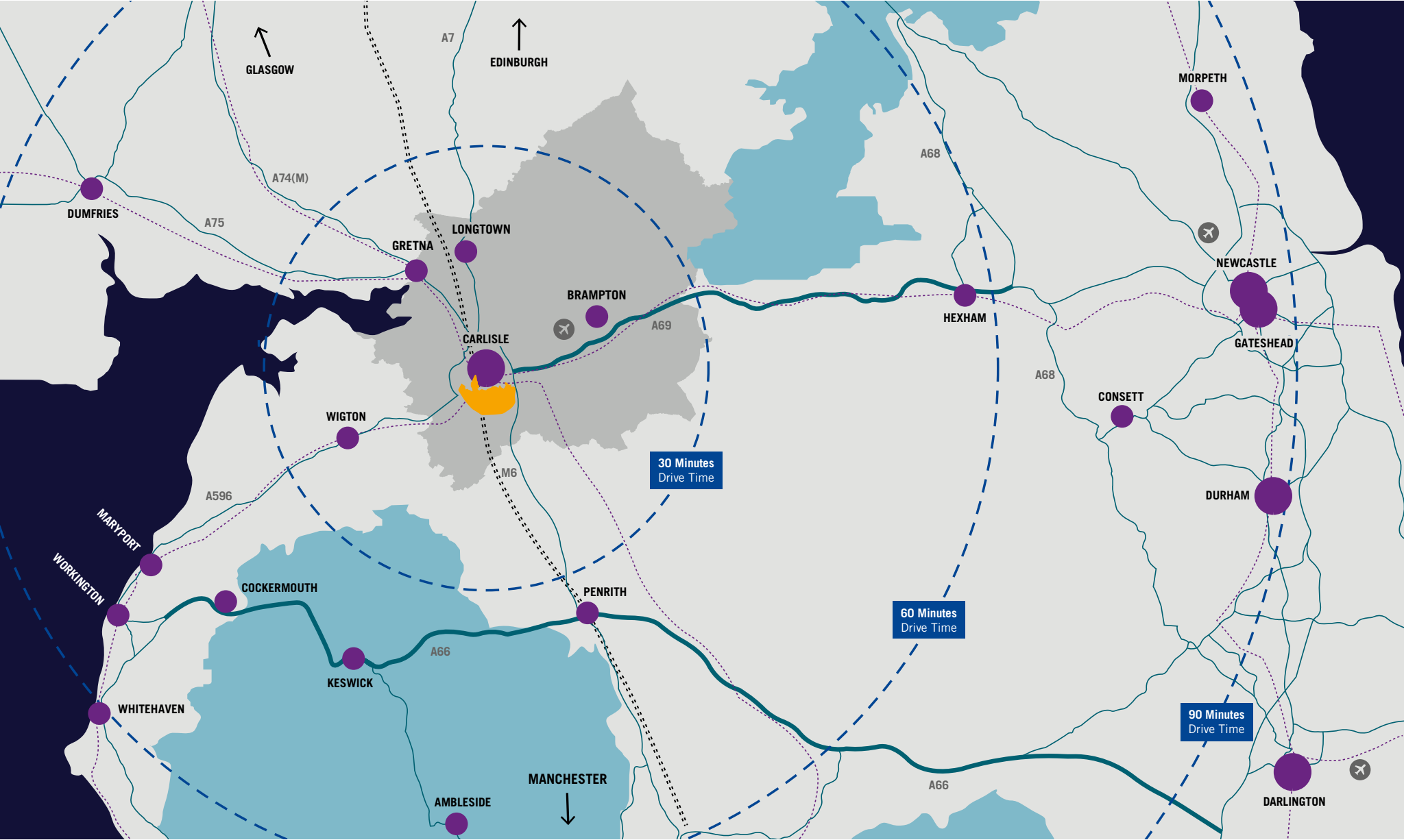
(Source: ONS 2015)

Catchment



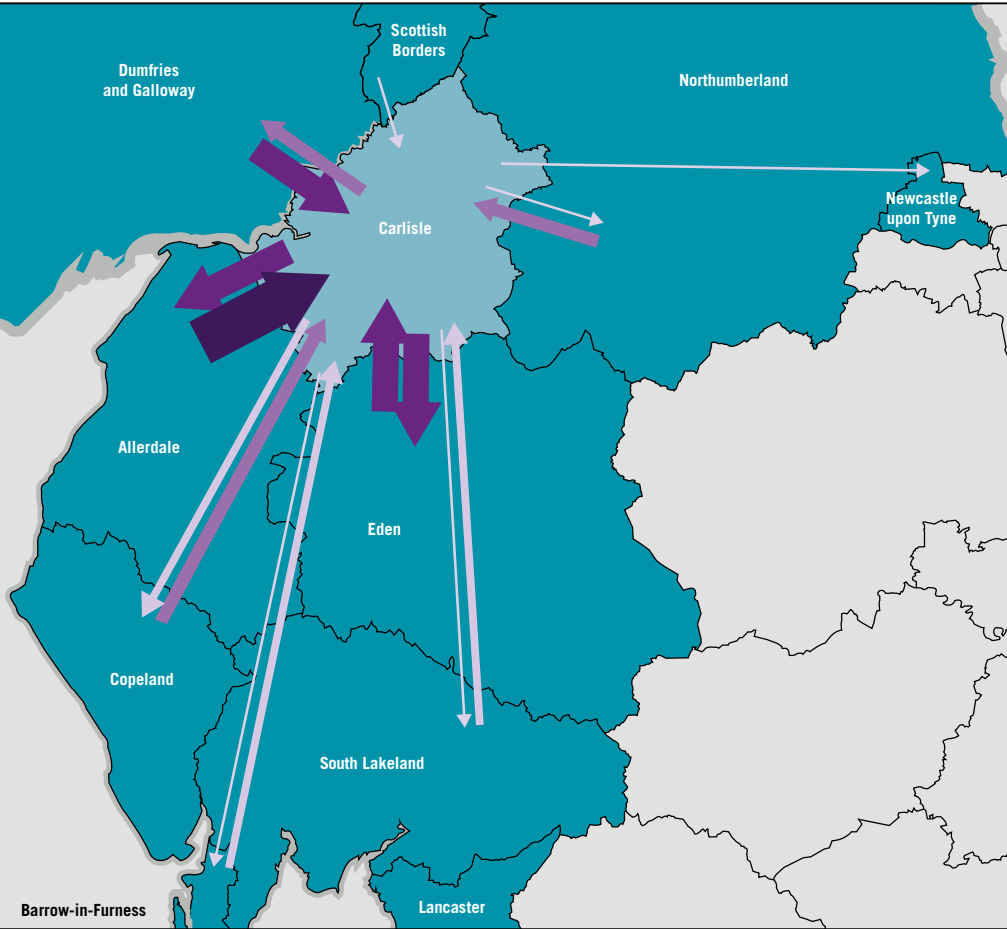
500,000+

(Source: Carlisle City Centre Development Framework 2015)



KEY		Major Road		St Cuthbert's Garden Village		Carlisle District Boundary	
Airport		Rail Line		Planned Highway Upgrades and Improvements		West Coast Mainline	
Settlement		National Park					

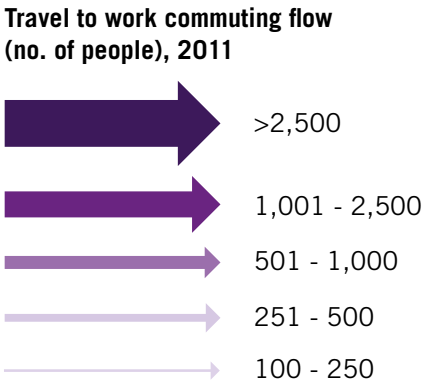
Commuting Patterns



Carlisle Local Authority
 Local Authority with a commuting in or out flow of 100 or more people to Carlisle

Live and work in Carlisle: **38,368**
 Mainly work at or from home: **5,605**
 No fixed place: **3,112**
 Offshore installation: **84**
 Outside UK: **65**

- The city has strong connections to its hinterland.
- 87% of Carlisle’s working residents live and work in the District.
- 12,350 workers commute into Carlisle.
- The District is a well contained area where people want to live and work.



Source: ONS Crown Copyright Reserved ©



A Diverse Economy and Well Skilled Workforce

Carlisle has a prosperous economy which is already home to many international and successful brands. The city's advantageous location and skilled workforce have helped to power thriving engineering, manufacturing and logistics industries with the presence of Nestlé, Pirelli, McVities and the legendary Eddie Stobart brand being testament to this. Beneath these headline companies sit a diverse and growing range of innovative SMEs.

Looking to the future, growth in the: manufacturing; logistics and storage; agriculture and related services; and construction sectors will drive employment growth and increased prosperity. This reflects a relative strength in these sectors in comparison to the national and northern position.

Carlisle's construction sector out-performs the sector nationally with both a lower proportion of workers with no qualifications at 10% against 13% nationally and a higher proportion of those with levels 3 and 4 qualifications at 38% against 35% nationally.

Continued employment growth in Carlisle will be aided by Kingmoor Park Enterprise Zone and a healthy supply of forward employment land. Underpinning all of this is Carlisle City Council's ambitious housing growth target and the desire to increase the District's working age population.

Carlisle is also at the heart of the sub-region's skills agenda being home to the University of Cumbria. Carlisle College, which has seen more than £30million investment in its city centre campus over recent years, also plays a key role with world class facilities on offer. Both of these institutions boast excellent relationships with employers across the county.



Bold Growth

Over the last decade, Cumbria has been the fourth fastest growth area in the UK. Looking forward, it has an investment pipeline of £25billion over the next decade, a level largely unrivalled elsewhere in the UK. In the north west alone, five of the eight largest proposed investment projects will be delivered in Cumbria.

Cumbria's Local Enterprise Partnership (LEP) has set out a bold vision to create 31,500 additional jobs and an increase in GVA of £1.3billion across the next decade. Carlisle is central to the LEP's ambitions and therefore the wider economic wellbeing of the sub-region. Owing to its location and status, the city is ideally placed from a supply chain and labour pool perspective to support and benefit from the significant investments in West Cumbria which are at the heart of the UK energy economy.

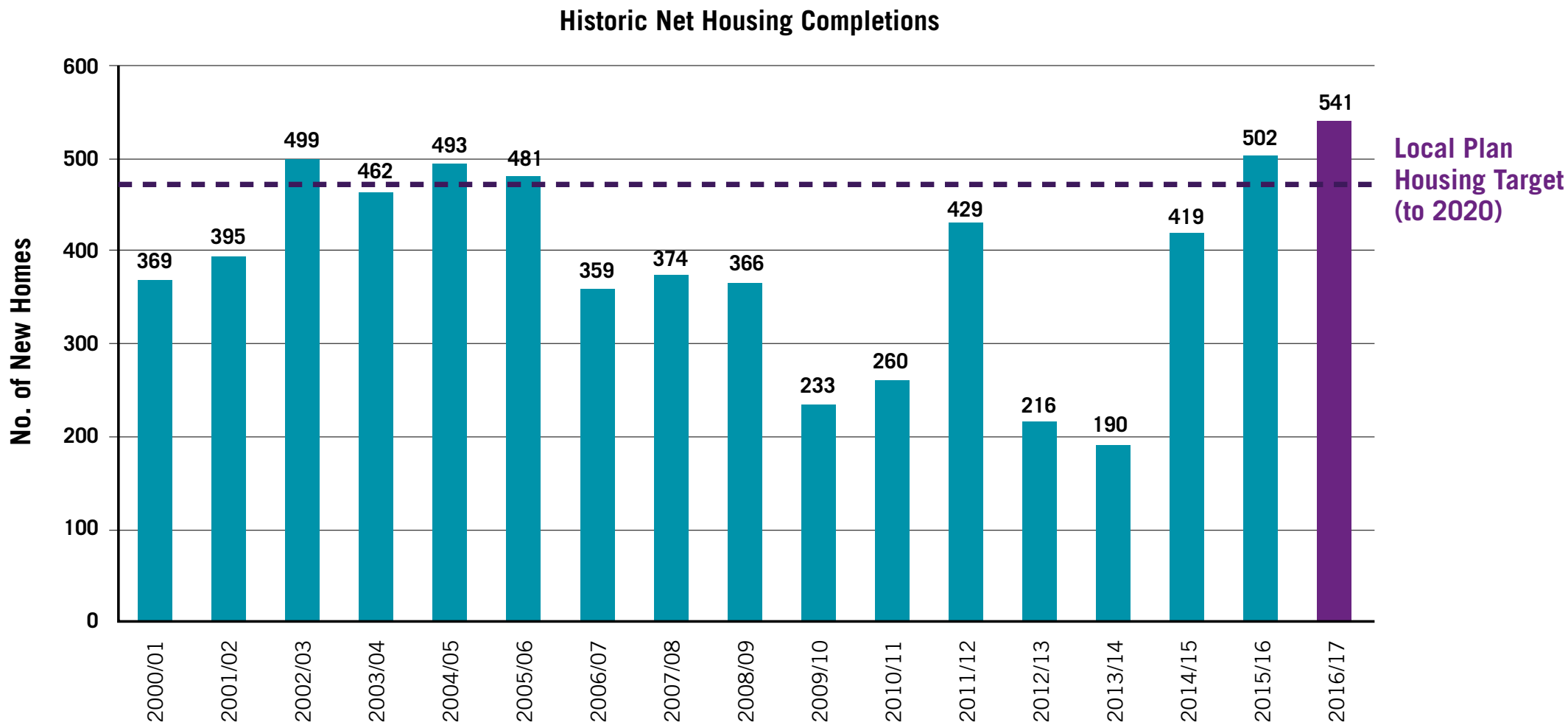
The LEP also recognise housing as a key economic driver both in terms of the jobs it supports (construction contributes £674million in GVA and 13,500 jobs to the Cumbrian economy) and to the economy as a whole. Carlisle is spearheading efforts to increase housing delivery within the county. The target pursued through the Local Plan is the most ambitious pursued to date, with increasing completions testament to this target being achievable.

Carlisle also has a significant pipeline of residential opportunities to support housing growth with the scale of these, aided by St Cuthbert's Garden Village, acting to secure continuity in the long term supply of housing land within the sub-region.

Carlisle is a city where the public and private sector share an ambitious view of the future. It is a place which is alive to its potential, more confident than ever and looking to its future. Carlisle offers enormous potential for those who want to be part of a growing city.



New Housing in Carlisle



- Record net completions recorded in the past two consecutive years.
- Five market-led sites recorded annual build rates of between 45 - 50 units in 2016/17.



St Cuthbert's Garden Village

St Cuthbert's is a planned new mixed use development comprising up to: 10,000 new homes; a strategic employment offer; ancillary infrastructure; and a new southern link road of larger than local significance. It was announced as a Garden Village in January 2017.

Of the 14 sites included in the Government's programme, St Cuthbert's is by far the largest in terms of its potential capacity. It is also one of only two Garden Villages north of Manchester and easily amongst the most ambitious development projects being actively progressed within the north of England.

St Cuthbert's has its grounding in the Carlisle District Local Plan 2015 - 2030 being identified as a broad location (known as Carlisle South) for future growth both within, and beyond, the current plan period.

The opportunities afforded by the carefully chosen location provide multiple ideal starting points for a series of new, sustainable garden settlements that are well connected to local services and facilities, as well as the offer of the existing city of Carlisle. The location has unique potential to deliver transformational long term housing growth with associated investment in infrastructure in direct response to the housing and development needs of Carlisle District and the wider sub-region.

Good progress has been made on advancing the project. A major focus of the past six months has been getting robust foundations in place and defining a clear strategy to drive momentum. The scale is such that there are genuine opportunities for new private sector partners to work alongside the public sector to deliver a forward looking and exemplary new community for both current and future generations.



Positive Planning and Opportunities

Carlisle is very much open for business and development friendly. There is strong local leadership, a can do attitude and a great coming together of the private and public sector with a genuine shared ambition to make Carlisle the best it can possibly be.

Despite record and increasing housing completions, c.2,000 homes remain on allocated sites which are not yet attached to a developer, as well as several hundred on consented sites. There are genuine opportunities for new delivery partners with a number of new developers already enjoying success having established a presence in the District.

Carlisle is one of a reducing number of local planning authorities who still offer free and comprehensive pre-application advice to smooth the formal planning process. Carlisle City Council has a track record of taking a realistic approach to viability including a pragmatic and flexible approach to affordable housing.

Our Economic Liaison Panel offers access to our Executive and Senior Management Team. This has proved a successful forum for new developers to announce their presence and to introduce their products and approach, raising awareness and an appreciation at the highest level.



93%

The % of officer recommendations approved by Councillors

(Source: Carlisle City Council)



90%

The % of planning applications determined under delegated powers

(Source: Carlisle City Council)

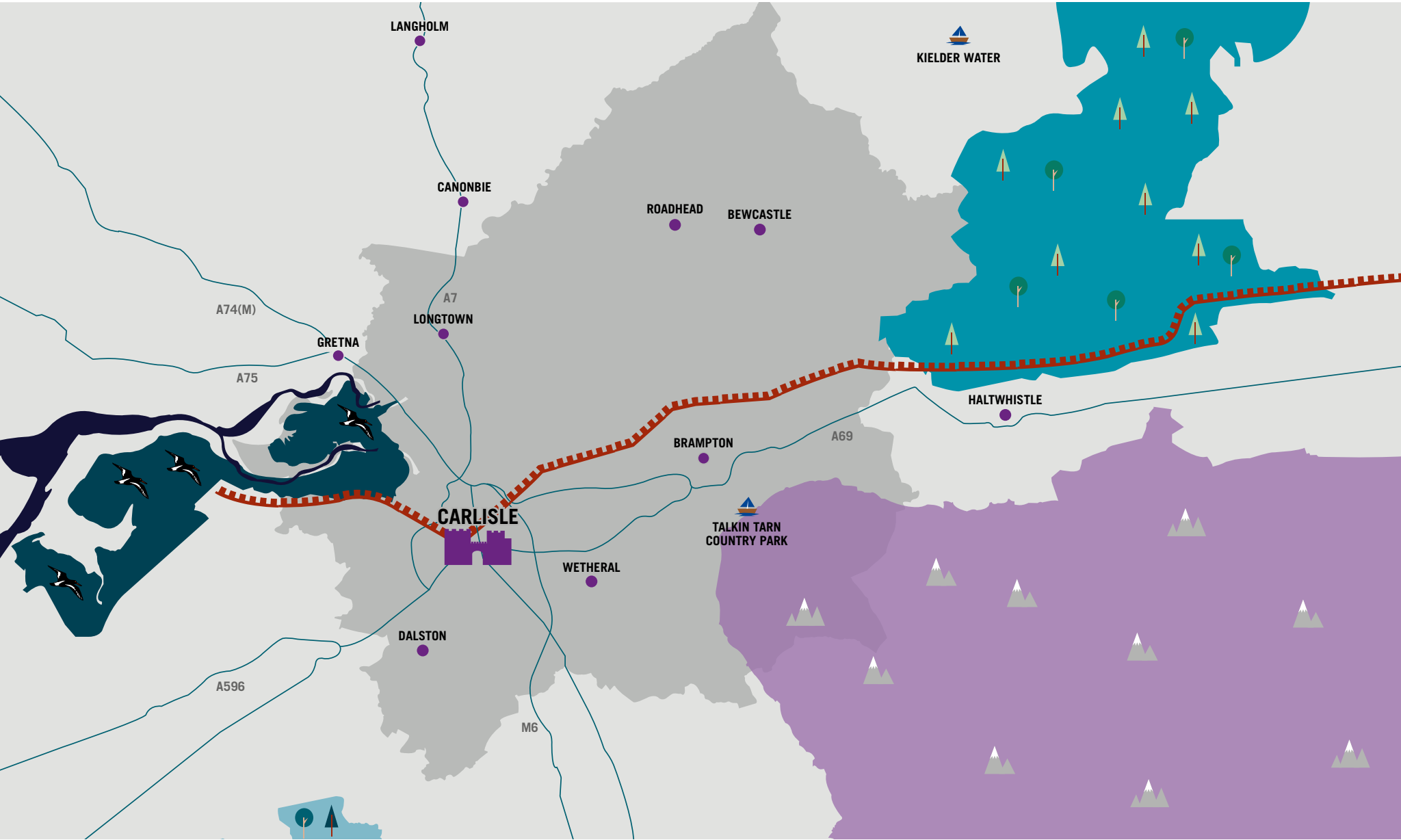


70%

The % of Major decisions determined on time

(Source: Carlisle City Council)





Nature and Heritage on the Doorstep

KEY

Carlisle District

Northumberland National Park

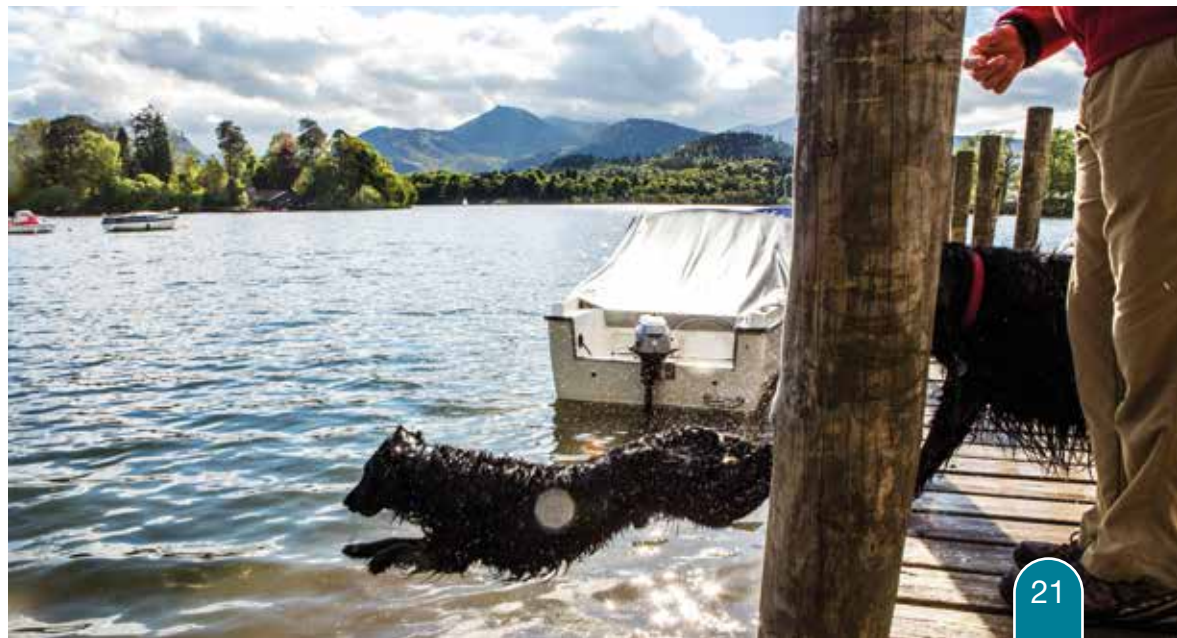
North Pennines AONB

Solway Coast AONB

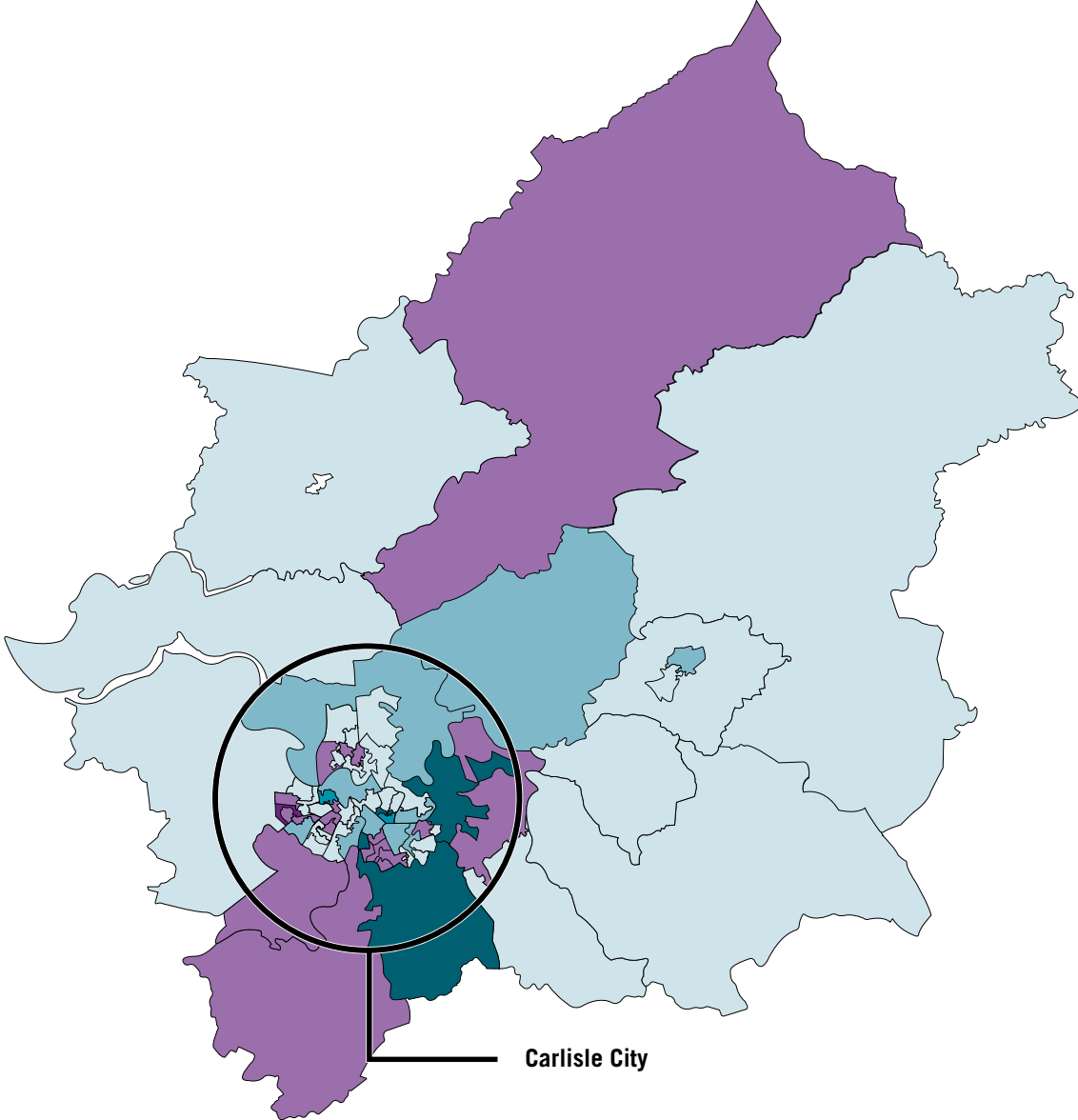
Hadrian's Wall World Heritage Site & National Trail

Lake District National Park & World Heritage Site

Settlement

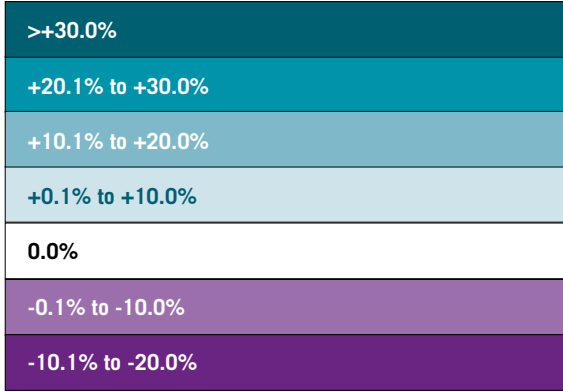


A Growing Population



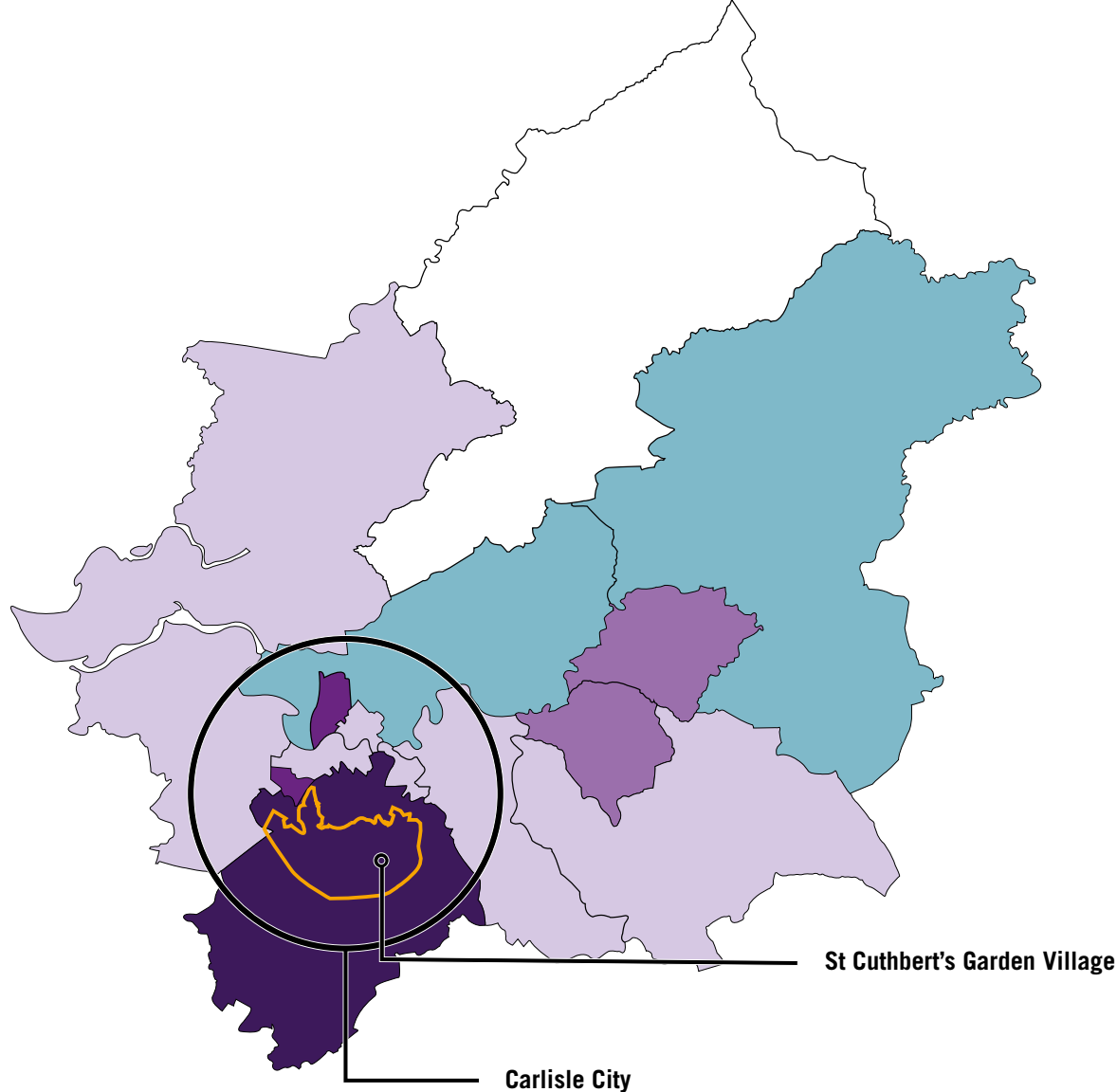
- Projected growth in Carlisle 2015 - 2031 is almost 3% higher than the Cumbria average.
- Most significant growth to the south of the city.
- Key drivers for growth are internal migration and rising birth rates.

Population Growth, 2001 - 2011, by LSOA



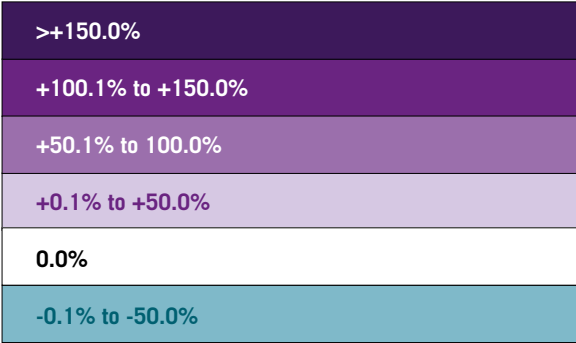
Source: ONS Crown Copyright

An Unmet Need



- The correlation between increased house prices and concealed households demonstrates pressures in the market.
- This creates a captive market for housebuilders and developers.
- Concealed households are families or adults living with “host” households, for example with parents or friends.

% Change in Concealed Families, 2001 - 2011 (shown by ward).

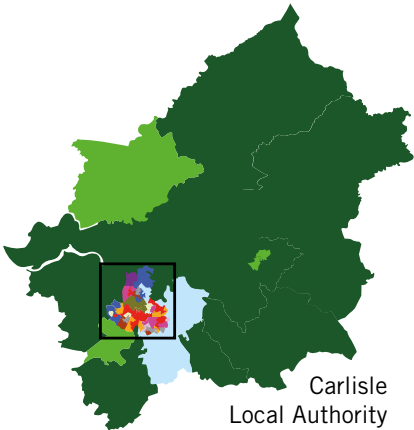


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Market Conditions



- Mosaic mapping identifies the dominant group in an area based on a range of demographic analysis.
- Carlisle has the youngest first time buyers in the UK at 27. (Halifax, 2016)
- Culture of buying feeds housing demand.
- Mosaic consists of 15 socio-economic groupings informed by 450 different data points.

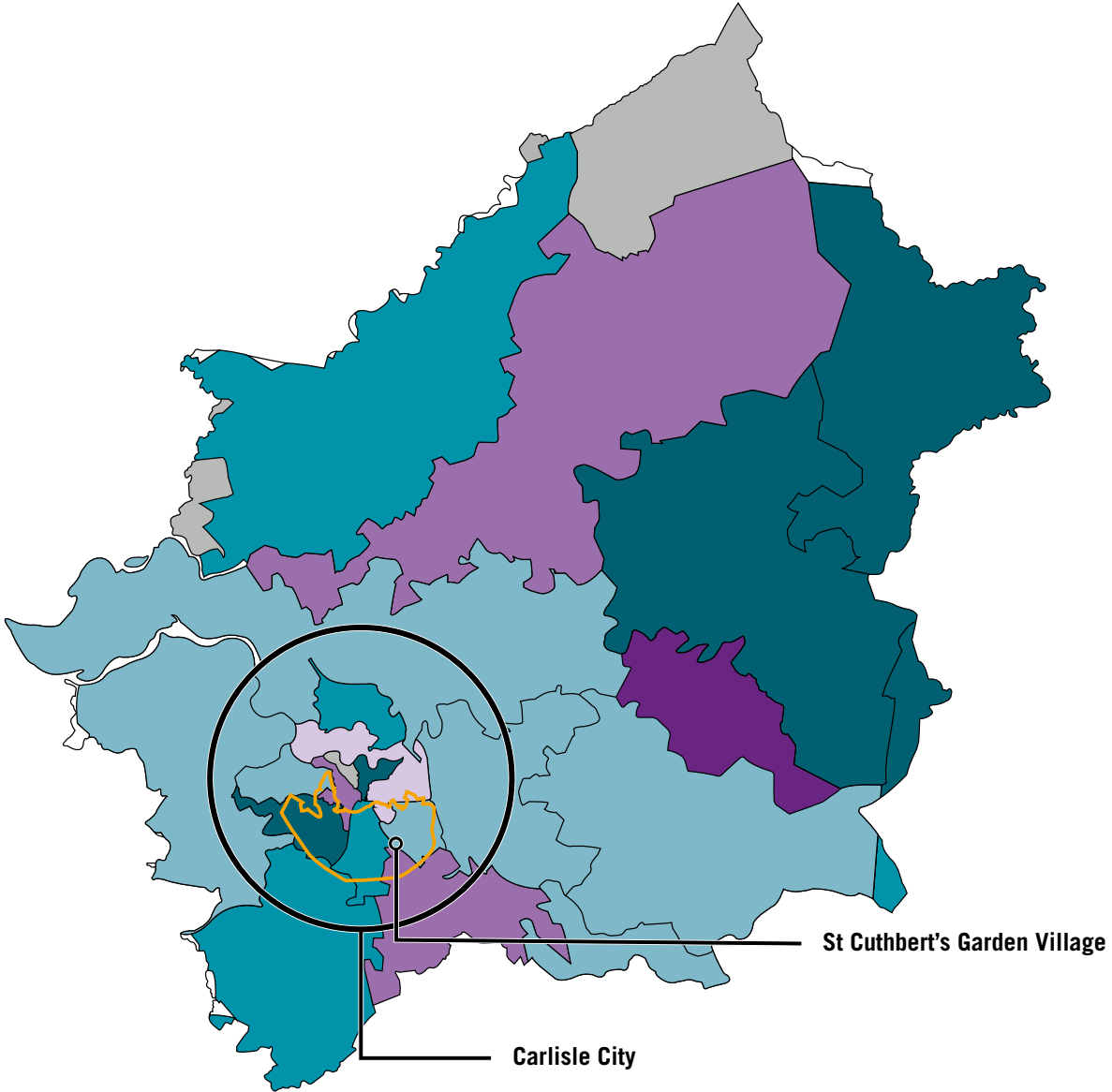


MOSAIC, 2015
(most dominant group by LSOA):

A	City Prosperity
B	Prestige Positions
C	Country Living
D	Rural Reality
E	Senior Security
F	Suburban Stability
G	Domestic Success
H	Aspiring Homemakers
I	Family Basics
J	Transient Renters
K	Municipal Challenge
L	Vintage Value
M	Modest Traditions
N	Urban Cohesion
O	Rental Hubs

Source: Experian, 2017 ©

Rising House Prices



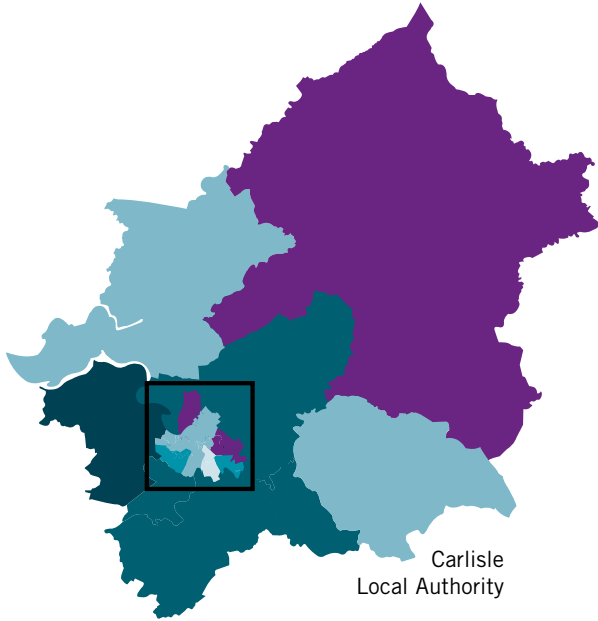
- Positive trends in many areas, particularly where the Local Plan allocates homes within and on the periphery of the city.
- Some of the negative price changes are due to an increase in terrace house sales which are lower in value.

Average House Price Change by Postal Sector, 2012 - 2014

>+20.0%
+10.1% to +20.0%
+0.1% to +10.0%
0.0%
-0.1% to -10.0%
-10.1% to -20.0%
<-20.0%
No Data

Source: Land Registry. Crown Copyright Reserved

A Broad Range of Sales Values



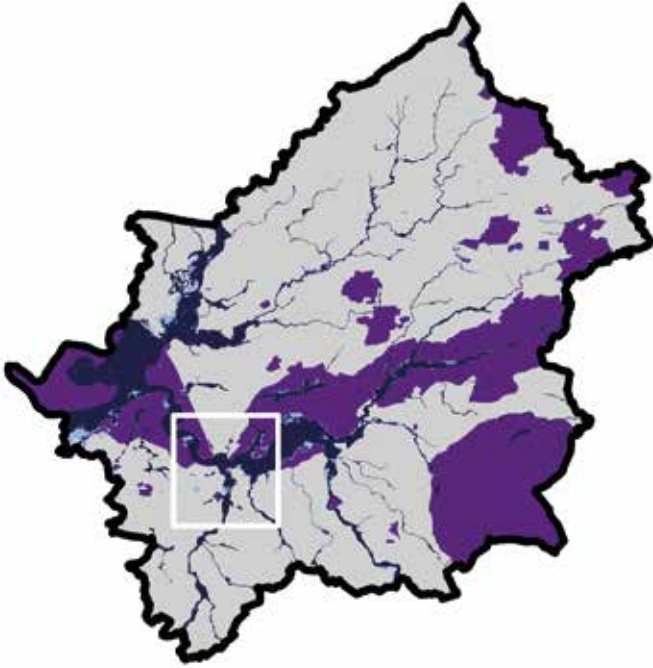
Average New Build House Price, 2014 - 2016 (by Ward)

>£250k
£200k - £250k
£150k - £200k
£100k - £150k
<£100k
No New Build Sales Data

Source: Price Paid Data, Land Registry
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Planning Constraints



- 66% of land area is free from NPPF Footnote 9 constraints.
- All allocated sites are within Flood Zone 1.
- No Greenbelt.

Flood Zone 2
Flood Zone 3
Footnote 9 Constraint *

* Area of Outstanding Natural Beauty SSSI
 Special Protection Area (& 400m buffer)
 RAMSAR
 World Heritage Sites
 Special Areas of Conservation
 Scheduled Ancient Monuments
 Registered Parks and Gardens
 National Parks
 Local Nature Reserves
 National Nature Reserves

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Copyright © and Database rights Environment Agency 2010.
 All rights reserved. Some of the information within the Flood Map is based in part
 on digital spatial data licensed from the Centre for Ecology and Hydrology © NERC.



How to Find Out More

Carlisle is up for growth and open for business. We are a forward thinking and proactive city. A city that knows where it wants to be and has plans in place to get it there. The private sector is valued and there is a commitment to partnership working. Strong local leadership prevails and there is a genuine appetite for innovation, flexibility and a can-do attitude.

If you are excited by our development ambitions and would like to find out more about the opportunities available in Carlisle then contact us for an informal, no obligation, chat about the possibilities Carlisle could hold for you and your business or investment interest.

Please contact us at:

Email: lpc@carlisle.gov.uk

Telephone: 01228 817160

Visit: www.carlisle.gov.uk/planning-policy



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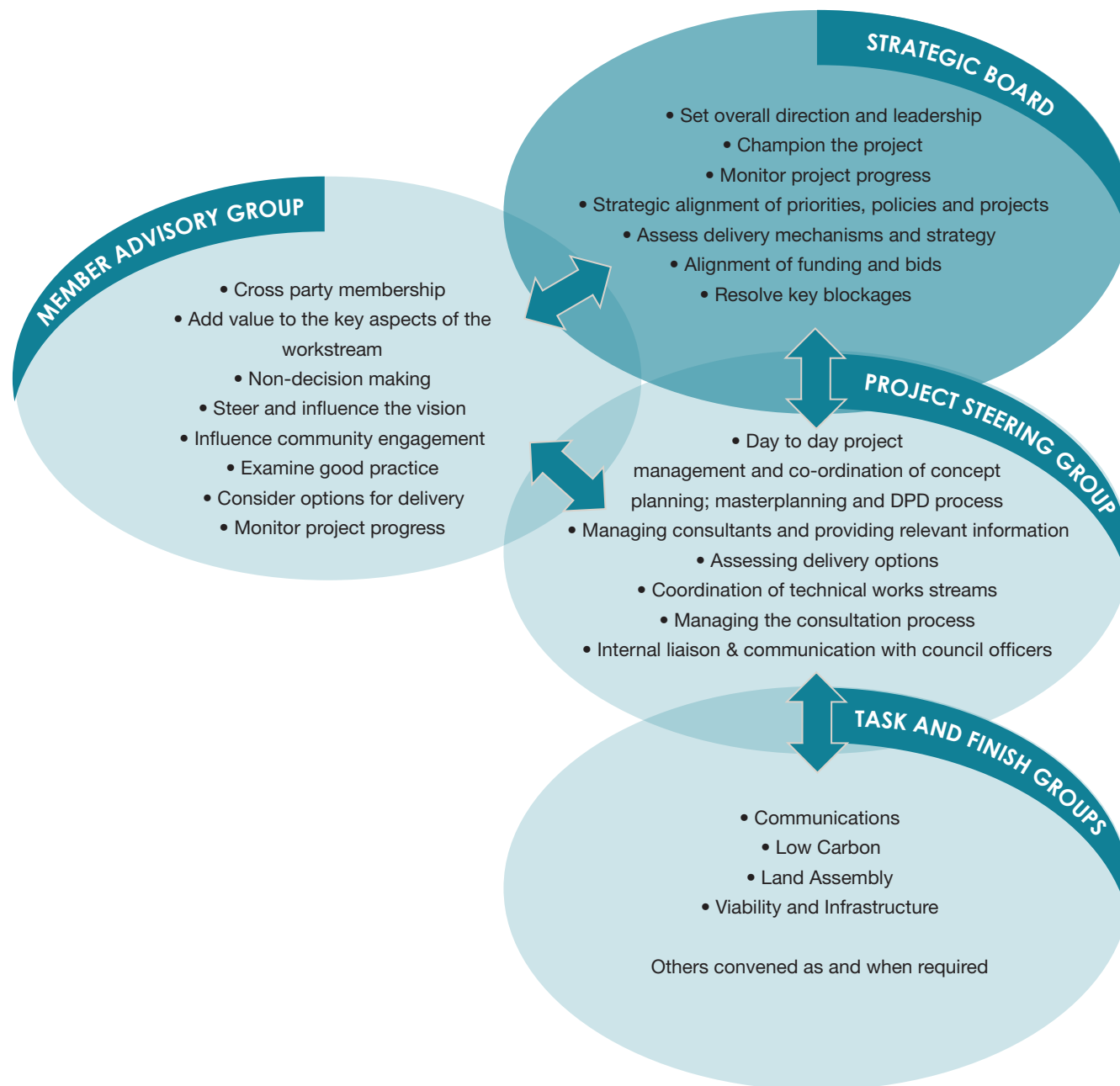
Images courtesy of: © Eden Housing Association; Kelvin Media; Andrew Paterson; D&H Photographers; Bill McLaughlin; Graeme Peacock; Persimmon; Riverside Housing; Story Homes;

Stuart Walker Photography and www.sjstudios.co.uk





St Cuthbert's Garden Village Governance Structure and Overview





The Story So Far

