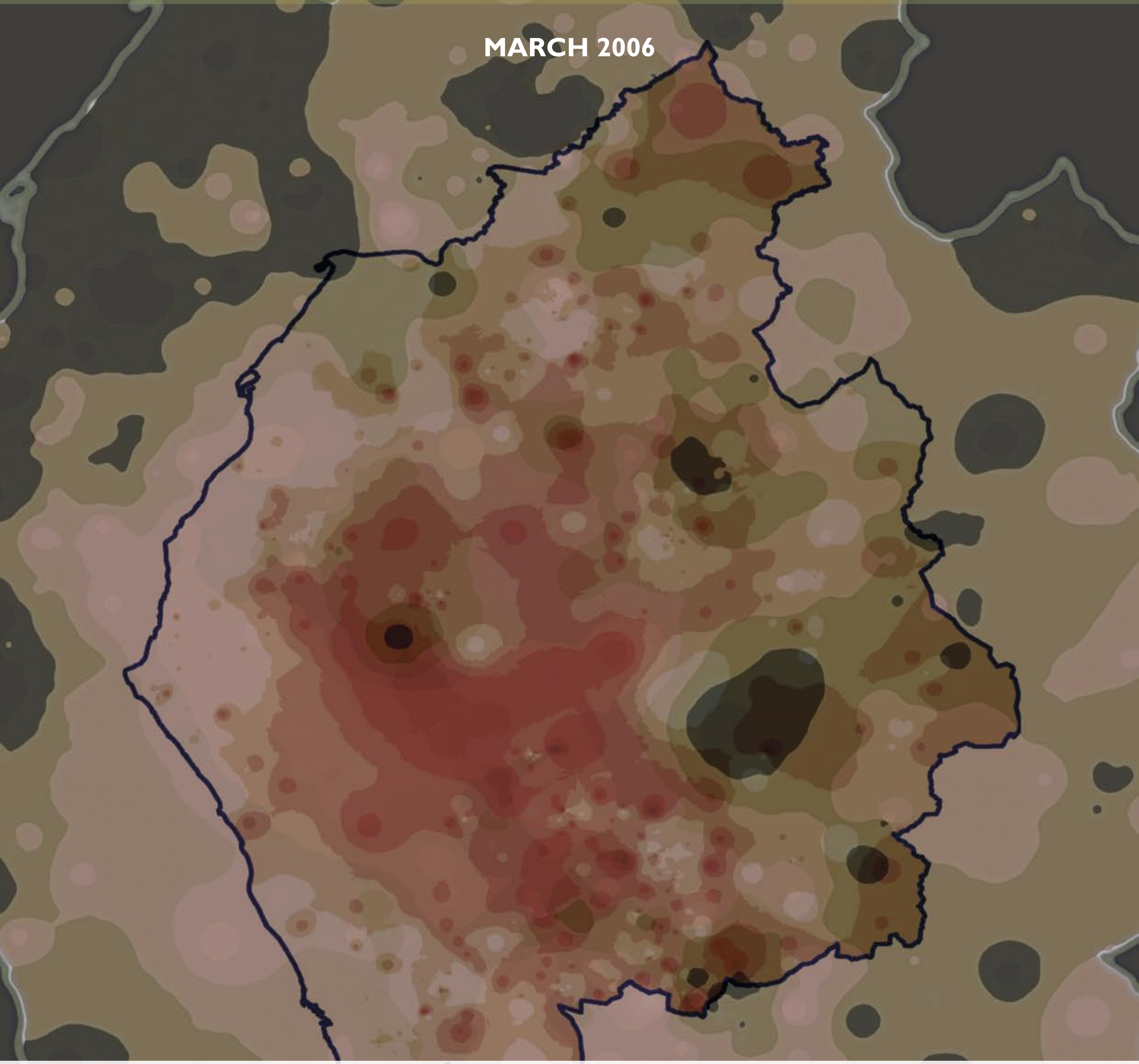
2006 PENRITH HOUSING STUDY

Prepared by Land Use Consultants and Jacqueline Blenkinship

FOR PENRITH PARTNERSHIP

MARCH 2006



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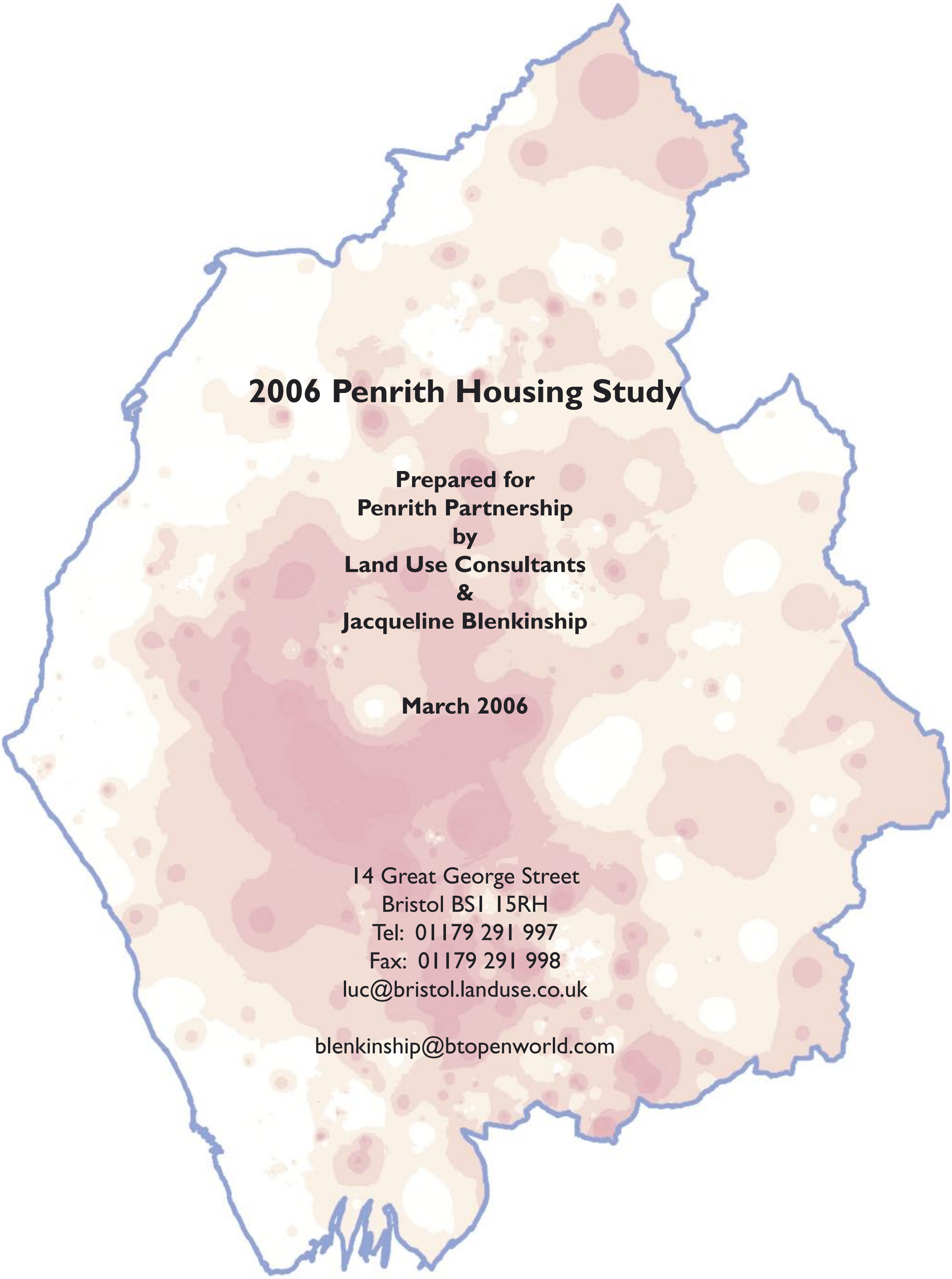

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1. INTRODUCTION

1.1. This research has been commissioned by Penrith Partnership the organisation responsible for managing the Penrith Market Town Initiative (MTI). The aim of the research is to better understand the housing market and economy of the area covered by the Partnership. The report will be used to make recommendations on the policies and actions in the regional housing and planning strategies to ensure Penrith can maximise its potential as a sustainable community.

1.2. Beyond this the work also has relevance for the regional economic and transport strategies, and local housing, planning, economic and transport plans and strategies. Such a piece of work, focused on a *local* housing market and *local* economy, is highly relevant at this moment in policy time, as new national guidance on housing is emerging, and with a keen focus on improving the performance of rural economies.

1.3. The core of this report is an evidence base addressing the local housing market and economy. There is now a strong emphasis that policy should be strongly evidence-based. In the past rural policy has sometimes not been sufficiently evidence-based, particularly at the local level, which means that it has been too simplistic and unable to pick up the particular attributes of different sorts of towns, villages, and areas of countryside.

1.4. Much of the evidence collected for this study is freely available, such as data from the 2001 Census. What we have done that is new is to provide a particular focus in this data on Penrith and the surrounding area. We have also collected a limited amount of new data to fill in the gaps.

The study area covers the specific Penrith Partnership area; Penrith and the rural parishes of Great Salkeld, Langwathby, Brougham, Clifton, Yanwath and Eamont Bridge, Catterlen, Hesket, Skelton, Castle Sowerby, Ainstable, Lazonby, Kirkoswald and Renwick, Glassonby, Hunsonby, Ousby, Culgaith, Milburn, Newbiggin, Kirkby Thore, Temple Sowerby, Morland, Cliburn, Sleagill, Newby, Thrimby, Little Strickland , Great Strickland Sockbridge and Tirril and Greystoke, Dacre, Lowther, Askham, Bampton, Barton, Martindale, Patterdale, Matterdale, Hutton, Threlkeld, Shap, Shap Rural and Mungrisedale

Penrith, as the largest settlement, has been given particular focus. Shap, Glenridding and Langwathby were also chosen as representative case study settlements.

In order to provide context for the study area we have looked at Cumbria as a whole, and where necessary provide information from national projects for further comparison.

1.5. Using the evidence base we have been able to gain a much better understanding of Penrith's local housing market and economy, and so to make more detailed recommendations on how Penrith should be treated in regional and local strategies to enable the community of the town and surrounding settlements to realise their sustainable potential.

Penrith is a surprisingly balanced and robust town, with great potential for sustainability. The town plays an important strategic role for east Cumbria that should not be overlooked.

2. POLICY OVERVEW

2.1. The Regional Spatial Strategy, North West Plan, was submitted in draft to the Secretary of State in January 2006. It is a very recent document, and it is intended to set a broad reaching spatial strategy for the region as a whole, acting as an umbrella for a range of other thematic strategies. Its strategic focus is the region's 'city regions' – the large conurbations and the areas immediately around them. There are three – the Manchester, Liverpool and Central Lancashire city regions – and they are all in the south of the region.

2.2. The RSS has the following perspective on the northern part of the region:

2.7 To the north of the city regions lies a particularly extensive and distinctive part of the region, encompassing the county of Cumbria, the major cities of Lancaster and Carlisle and their surrounding areas, the town of Barrow-in-Furness and the Lake District National Park. Here in Cumbria and north Lancashire, the numbers of people leaving the area exacerbate problems of economic decline and structural weakness; local communities are unbalanced and regeneration becomes more difficult to achieve.

2.8 The functional relationships between the Lake District National Park and adjoining areas in Cumbria provide sound opportunities for development in areas outside the National Park boundary – for example, in Cockermouth, Kendal, Penrith and Ulverston – that benefits not only local communities, but also those within the National Park itself.

2.3. Specifically addressing '*An overall Spatial Policy for Cumbria*' the RSS goes on:

15.5 As a result of its geographic, and therefore economic isolation, Cumbria is generally self-contained in comparison to other parts of the north-west. This fact, together with the highly dispersed and sparsely populated nature of its settlements presents a particular challenge in securing a sustainable level of development. Most of the development in Cumbria will be focused within Carlisle, Barrow and west Cumbria. Elsewhere, there will be levels of moderate or small-scale development suited to the size and location of key and local service centres. It will be particularly important to achieve a level of economic growth that sustains local needs and reduces the number of economically active people leaving the area, and to match this with appropriate housing development. Housing must be of the right type and in the right location to meet the requirements of local communities and employers and be directed to locations where it will sustain local services.

Penrith is identified as a local service centre.

2.4. The Regional Housing Strategy (RHS) dates from 2003 and offers less detail than the RSS. Against a backdrop of many low demand areas in the region the RHS notes that market towns and villages in the more attractive rural areas in the north of the region do experience high levels of demand and housing need. It goes on,

Rural communities (including many market towns) face a range of challenges, including the push to diversify local economies away from their traditional dependence upon agriculture and tourism. Particularly in more scenic areas or those accessible to urban centres, rural housing markets are under pressure from long distance migration, often at retirement, or *from demand for second and holiday homes. With property values being driven up by higher income households from outside the local economy, the lower income levels common to most rural areas makes owner-occupation a distant prospect for many local households (especially newly-forming households). Homelessness is an increasing concern. The existing affordable housing stock becomes a vital resource for local people seeking to remain within their own communities, but is often subject to high levels of right to buy sales. The scarcity and expense of development sites contributes to new affordable housing provision failing to keep up with the losses of social rented stock.* (p23)

Such a situation undermines sustainable communities, not just because these communities are likely to become less and less mixed, but also because:

The outcome is a position which can threaten the viability of local services and the economy more generally, as the labour force finds itself priced out of the local housing market. Long distance commuting of low paid workers in the health, social care and tourism sectors into the Lake District National Park (for example) from the west coast of Cumbria is just one manifestation of this issue. (p23)

2.5. Local policy comprises the Structure Plan[1], the Local Plan[2], and the emerging Local Development Framework (LDF)[3]. Unsurprisingly they share a common approach to Penrith, identifying the town as a key service centre, and therefore a focus for sustained development. A critical piece of context here is that housing development in the district has run ahead of allocations since 1991. But this has not been in Penrith and the other towns - instead in the smaller settlements. As a result from 2004, housing allocations have been reduced to 170 dwellings pa and focused mostly in Penrith.

2.6. However the housing projections used for the structure plan indicate an annualised dwelling requirement of between 250 and 500 dwelling, depending on migration assumptions, and the new RSS sets the district an annual rate of 239 dwellings between 2003 and 2021, of which at least 50% should be affordable.

2.7. The Issues and Options Paper for the Core Strategy of the LDF identifies housing as a key issue and proposes to continue to direct three quarters of new housing in the district to Penrith.

[1] Modifications 2005
[2] 1996, with revised housing policies 2004
[3] 2005

3. THE EVIDENCE BASE

3.1. As introduced above the evidence base is the core of this report, and forms the basis for the recommendations, which are also made in the context of existing and emerging policy. The evidence base has the following components:

- summarised and mapped data from the 2001 Census to give essential context to the local housing market and economy;
- mapped patterns of travel to work and migration from the 2001 Census to show the role and functions of the town and surrounding area;
- 2004 house price data from Land Registry;
- data on local employers from the Annual Business Inquiry;
- data on rates of new housing provision;
- data on the turnover of social rented stock; and
- findings from a questionnaire survey of the Penrith Foyer users.

3.2. Locked copies of all the data tables and GIS prepared for the study can be obtained from Penrith Partnership to accompany this report.

PEOPLE & MIGRATION[4]

3.3. 2001 Census data shows that in comparison with the surrounding area Penrith contains proportionately more pensioner and single person households. However, the town contains a broad spread of household types overall, spread across the different parts of the town, as do the surrounding countryside and smaller settlements. So these differences are subtle, not large-scale; and may be the result of more sheltered accommodation or flats being provided in the town.

3.4. Migration data from the 2001 Census has been mapped, Figure 2. This shows those people who moved house during the year prior to Census, those moving out of a settlement and where they have moved to, and those moving in, and where they have moved from. The maps illustrate not only that the majority of people moving into the study settlements moved from within Cumbria, but that the majority were from within a 30km radius of the settlements. (Migration maps for the other settlements are contained on the computer disc which accompanies this report).

3.5. The maps also illustrate the diverse range of places people moved away to, the majority moving to areas south of the M62. The maps also highlight those people who moved house within a settlement, self contained moving, up or down the property ladder.

3.6. Looking at the settlements in turn, Penrith shows similar numbers of people moving around the town (853), as those migrating into the town (843), with a slight reduction of those leaving the town (735), therefore the town in a net importer of people, (108).

3.7. Of those moving into the town 69% (585 people) already lived in Cumbria, with 366 of these, 43% of the overall total moving from rural areas into the market town. This may be to do with a number of factors; the wider availability of different house sizes and types, the availability of specialist sheltered housing, the slightly wider availability of affordable housing, or the desire to be closer to shops and services.

3.8. Of those moving into the town, the next largest group moved from areas north of the M62, (20%, 126 people), with the remainder moving from south of the M62 or Scotland. The 108 additional people who migrated into Penrith, shows that the age range is split 44, 22, 42, under 16's, 16 to 75 year olds and over 75 year olds respectively. The largest group migrating out of town were 16-75 year olds migrating south of the M62. Whilst some of these people may well be students going to university, the destinations stated are not necessarily university towns, and therefore other factors such as work opportunity or family connection must be considered. Bearing in mind the north/south house price gap had not necessarily caught up by 2001 the search for more affordable housing south is unlikely to be a factor.

[4] Census 2001 clearly predated enlargement of the European Union in 2004, and thus the flow of migrant workers to the UK since then

Figure 1 Pensioner households

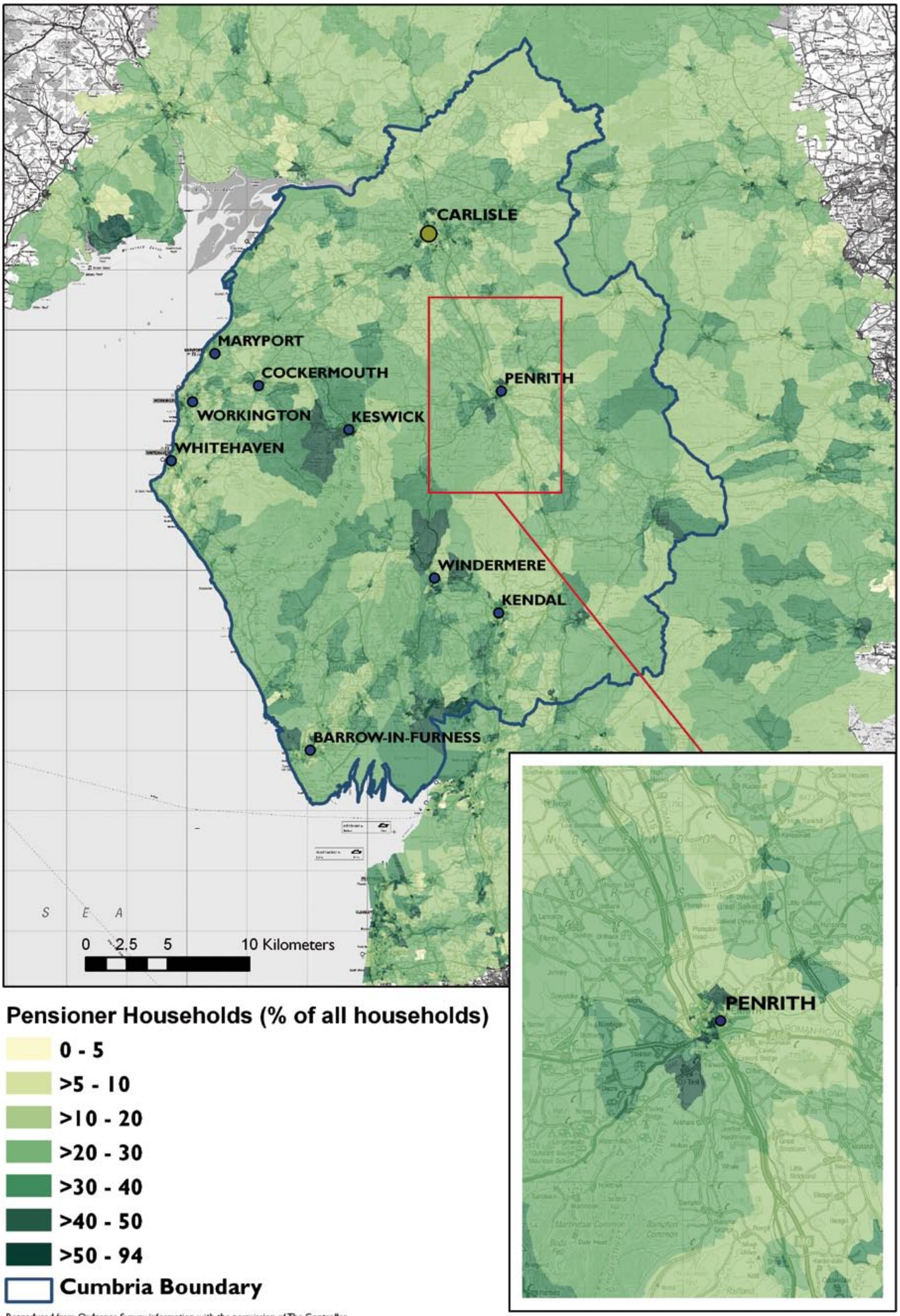

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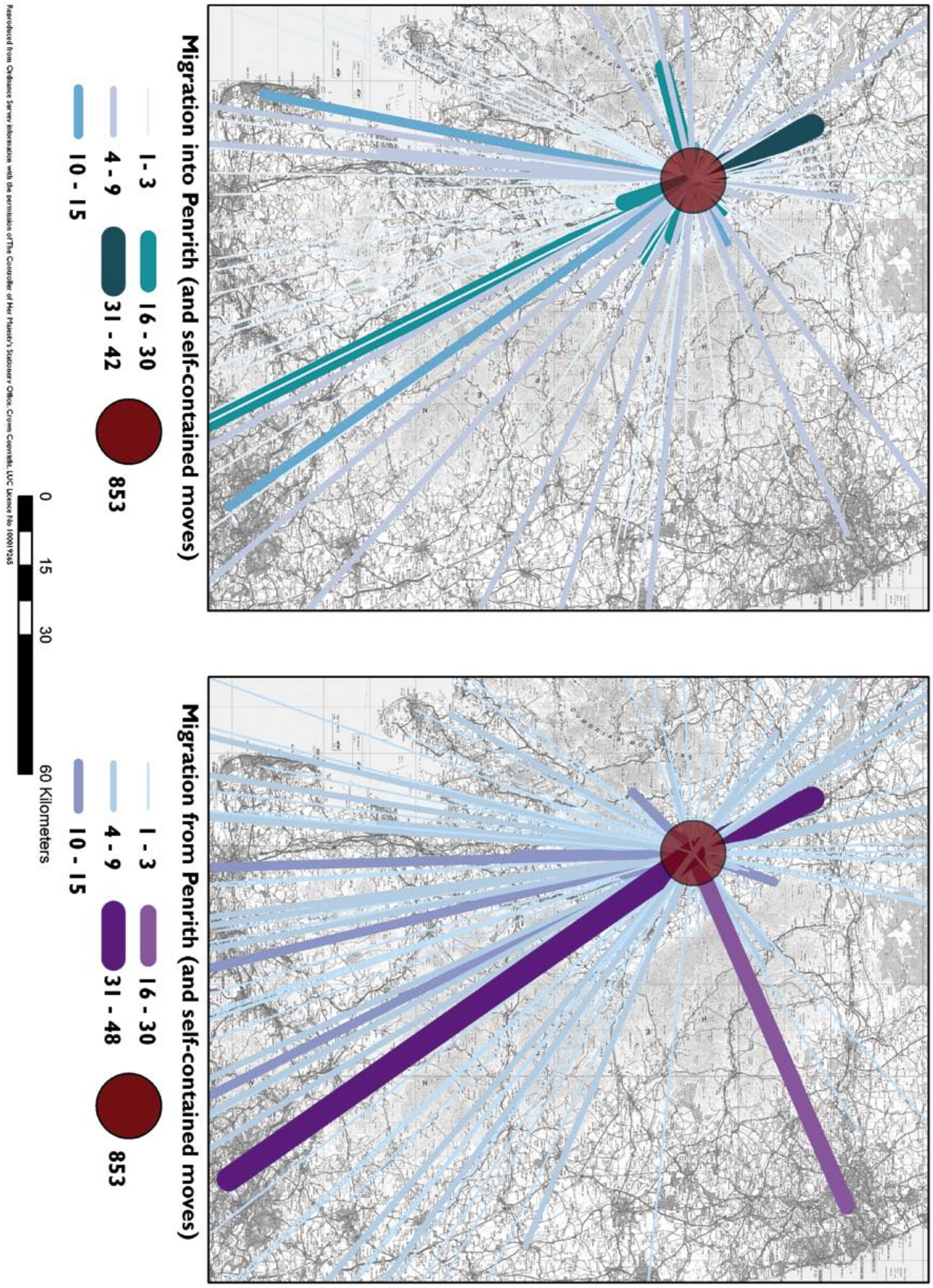
Figure 2 Penrith migration 2000-2001



3.9. Langwathby is also a net importer of people (23, 55%), and again shows a large number of Cumbrian people moving into the settlement. Of an in-migration total of 42, 36 were from Cumbira, all either under 16's (6), or 16 to 75 year olds (30), implying families moving in, possibly for schooling or following the development of new housing. Only 12 people moved house within the settlement; there was some movement of people to other parts of Cumbria (12), with others moving to areas north of the M62 (6).

3.10. Shap follows a similar pattern; it is still a net importer of people (23), again 68% of people (39 of 57) moving into Shap were already living in Cumbria. Again the majority of those leaving Shap were 16 to 75 year olds moving to elsewhere in Cumbria, mainly to Penrith (18 of 24). Shap does show one surprising statistic, 16% of people moving into Shap were over 75 year olds moving from outside Cumbria (6 from north of the M62, 3 from south of the M62). There is sheltered housing provision in Shap, at the time house prices would also have been lower than some parts in the south, and it is also possible that older relatives moved to be closer to family.

3.11. Glenridding is the only settlement that we have studied which is within the Lake District National Park boundary, and despite development restrictions it is also a net importer of 13 people. Slightly fewer people, but still the majority moved from elsewhere in Cumbria, 53%, (24 of 45 people). There were only 9 people, 20% who moved from south of the M62, all were over the age of 75. Despite being a net importer of people, Glenridding sees a reduction in the number of children under 16, (3), an increase in the number of 16 to 75 year olds at 4, but an increase in over 75 year olds at 12.

3.12. This analysis has been undertaken on 2000/01 movements, at a time when house prices in Cumbria were rising but the north/south divide was still evident. The question is would a similar pattern occur today. The likely answer is yes, there have been no significant changes in employment, transport, or housing provision, but house prices across Cumbria and within a 30km radius of Penrith have risen in parallel with each other, allowing people to move from local housing market to local housing market as the data suggests, so similar patterns are still probable.

3.13. An alternative way of looking at migration is the change between the 1991 Census and 2001 Census. Over this period Penrith gained 1,406 people. Split by age bands 311 people we gained in the 0-15 range, 324 lost in the 16-24 range, and 1,439 gained over 25.

3.14. However the wards used in 1991 and 2001 were different and therefore could introduce inaccuracies. So it is important to also compare proportional increases. The relationship is very similar here with the losses focused in the ranges 16-29 and 60-84 (but these are less significant). A similar pattern holds for the rural wards around Penrith – the greatest losses are found between 16 and 29 and then gains in general up to and sometimes beyond 55. Details can be seen in the following table.

Table 1 Comparison of population and age ranges of population of Penrith wards in 1991 Census and 2001

Age Range	Population in 1991	Percentage of population in 1991	Population in 2001	Percentage of population in 2001	Change in absolute numbers	Proportional Change
All Ages	13336	100.00	14742	100.00	1406	N/A
0 to 15	2303	17.27	2614	17.73	311	0.46
16 to 19	683	5.12	600	4.07	**-83**	**-1.05**
20 to 24	1029	7.72	768	5.21	**-261**	**-2.51**
25 to 29	992	7.44	994	6.74	2	**-0.70**
30 to 34	950	7.12	1189	8.07	239	0.94
35 to 39	801	6.01	1117	7.58	316	1.57
40 to 44	955	7.16	1065	7.22	110	0.06
45 to 49	777	5.83	888	6.02	111	0.20
50 to 54	752	5.64	1020	6.92	268	1.28
55 to 59	723	5.42	817	5.54	94	0.12
60 to 64	776	5.82	785	5.32	9	**-0.49**
65 to 74	1373	10.30	1516	10.28	143	**-0.01**
75 to 79	539	4.04	589	4.00	50	**-0.05**
80 to 84	405	3.04	389	2.64	**-16**	**-0.40**
85 to 89	201	1.51	243	1.65	42	0.14
90 and over	77	0.58	148	1.00	71	0.43

Source: 1991 Census table SO2
2001 Census table CAS02

[1] 1991 Census Wards = Penrith East, Penrith North, Penrith South, Penrith West
2001 Census Wards = Penrith Carleton, Penrith East, Penrith North, Penrith Pategill, Penrith South, Penrith West

HOUSING

3.15. Home ownership is high across the county, including Penrith. However, although in the area around the town social rented housing is scarce in parts of Penrith it comprises over 25% of the housing stock. Penrith has 6,401 households of which approximately 4,788 are owner-occupied, 928 are social rented properties, 538 are private rented properties and 83 shared ownership properties, with the remainder living rent free, in temporary accommodation or shared dwellings. Of those in owner occupation 45% own their property outright, that's 34% of the town, 2,176 households who own their property outright.

3.16. The proportions differ very little for the other settlements, with the possible exception of Langwathby which appears to be reasonably well catered for in terms of social rented property; however, the actual numbers of houses are small at 42. Glenridding also appears to have a greater number of shared ownership properties, but again the numbers are small at 6 dwellings. In contrast private rented housing is more common than in more rural areas of the county.

Table 2 Housing stock in case study settlements

	Percentage of housing stock					
Settlement	**Detached**	**Semi-detached**	**Terraced**	**Flat/apartment**	**Caravan/ Temporary**	**Shared dwelling**
Glenridding	39.03	22.13	29.44	8.66	0.73	0
Langwathby	38.86	45.17	13.91	2.05	0	0
Penrith	20.28	34.63	28.24	16.3	0.05	0.5
Shap	26.05	33.97	31.95	8.03	0	0

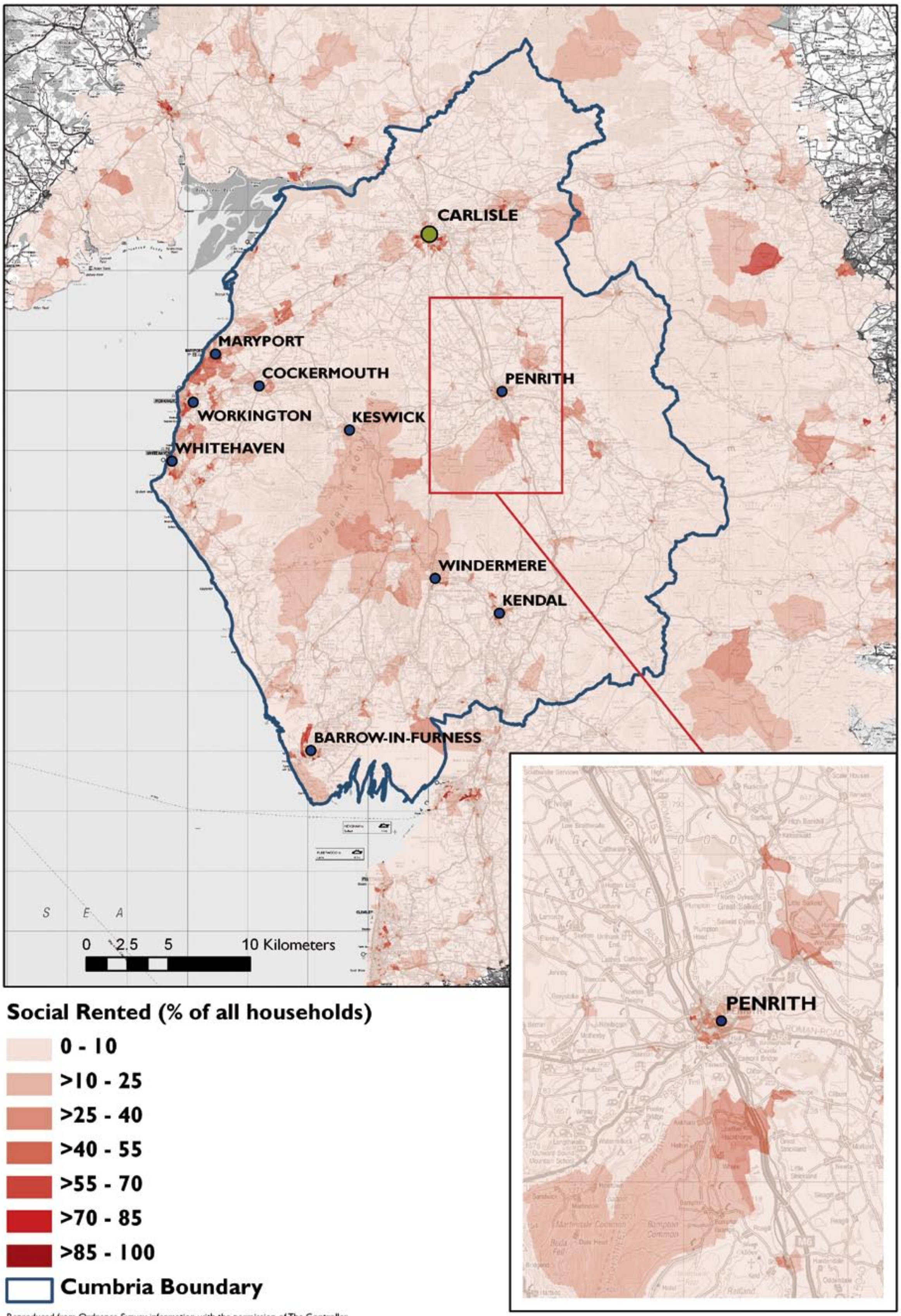
Table 3 Tenure in the study settlements

		Percentage of all households					
Settlement	**Total Households**	**Owned**	**Social rent**	**Private rented**	**Living rent free**	**Second homes**	**Shared ownership**
Glenridding	**207**	65.7	16.4	11.3	6.6	39.4	2.7
Langwathby	**214**	69.4	19.5	7.8	3.3	1.7	0
Penrith	**6401**	74.8	14.5	8.4	2.2	0.5	1.3
Shap	**522**	77.7	14.7	4.7	2.9	3.2	0

3.17. There are very few second homes in Penrith, whereas in the National Park immediately to the west the concentration is relatively high.

3.18. Penrith has a relative concentration of terraced housing and flats, and therefore smaller dwellings. Overcrowding is more common in Penrith than in surrounding settlements, but is generally low across the county.

Figure 3 Social rented housing



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3.19. Housing maps and ladders were developed for the ‘Housing markets preparing for change’ document which looked at the housing markets of central and west Cumbria. They provide a clear simplistic view of the property in a settlement and the price of that property.

3.20. The map of Penrith, figure 4, aims to visualise the character of housing in the town, when a house was built, for what tenure and by whom all impact on the visual characteristics of a settlement.

3.21. The map shows that the properties surrounding the immediate town centre are a balanced mixture of smaller two-bedroom terraces, larger three-storey terraces and larger semi-detached/detached villa style properties.

3.22. Four social housing estates can be seen on the map; three of these were built in the inter-war period, mainly in semi-detached or short terrace format. The fourth estate, Pategill, is a ‘Radburn’ style estate with properties built in longer terraces of bland appearance – this estate has also been added to over the last five to ten years with newer modern social housing terraces. Whilst the estates still display the aesthetics of the social housing brand it is estimated that since the introduction of right to buy legislation, approximately 50-60% have been sold.

3.23. Had those right to buy properties not been sold the tenure balance detailed in Table 3 would be dramatically different, with only 60% owner occupation, and 28% social rented housing, a tenure mix similar to west coast settlements earmarked for regeneration.

Table 4 Housing stock in comparison market towns

	Percentage of housing stock				
Settlement	**Detached**	**Semi-detached**	**Terraced**	**Flat/apartment**	**Caravan/ Temporary**
Penrith	20.3	34.6	28.2	16.3	0.6
Cockermouth	25.5	37.0	23.5	13.9	-
Keswick	17.0	24.9	31.1	26.8	0.1
Kendal	20.6	34.5	29.6	15.2	0.1

Table 5 Tenure in comparison market towns

		Percentage of all households			
Settlement	**Total Households**	**Owned**	**Social rent**	**Private rented**	**Shared ownership**
Penrith	**6419**	74.8	14.5	8.4	1.3
Cockermouth	**3275**	76.4	13.7	6.7	0.3
Keswick	**2240**	64.2	20.7	8.8	0.9
Kendal	**12188**	76.2	12.6	7.5	0.5

3.24. Substantial housing development has taken place over the last 20 year period to the west of the town. These new properties have been predominately detached and semi-detached housing built in the 'corporate' style adopted by most speculative house builders. This development has changed the make-up of the housing supply away from one dominated by social housing to a more balanced supply.

3.25. Comparing the housing stock to market towns in the 'Housing markets preparing for change' document shows that Penrith has a very similar housing stock to Cockermouth; although Penrith is almost twice the size the proportions are similar. Detached housing (20%) is higher than Keswick (17%), and slightly less than Cockermouth (26%).

3.26. Penrith has a high percentage of terraced properties at 28%, alongside 31% in Keswick, with Cockermouth at 24% - this seems to reflect the huge range of terraced properties in Penrith from the smaller terraces in Castletown, to the larger terraces leading up to Beacon Edge. Keswick has a relatively high percentage of flats at 27%, (an apparent result of high land prices and a desire to develop/convert anything rather than an apparent desire to be flat owners) compared to Penrith (16%) and Cockermouth (14%).

3.27. The number of flats in Glenridding is not typical of a rural village (9%), but may reflect the fact that this is a village in the national park and as such an area of high development cost following the pattern of Keswick.

3.28. There are current proposals to regenerate the Penrith town centre area of Southend Road. The regeneration proposals include the development of around 250 flats above proposed retail space. The flats will provide a tenure mix of open market sale, shared ownership and social rent.

3.29. The current mix of house types seems to be part of Penrith's popularity - balance. Interestingly the dynamics will change if 250 flats are built in Penrith, as the percentage of flats would rise to 19.5%. It is worth noting that most estate agents believe that any down turn in a market affects flats first. Whilst the town may well be able to integrate one development of flats of the size, type and scale of Southend Road, further similar developments would pose a serious risk of upsetting the balance and function of the local housing market. Later permissions, following Southend Road should look to ensure the overall balance of property types, and affordability in the town.

Figure 4 How Penrith has developed over time

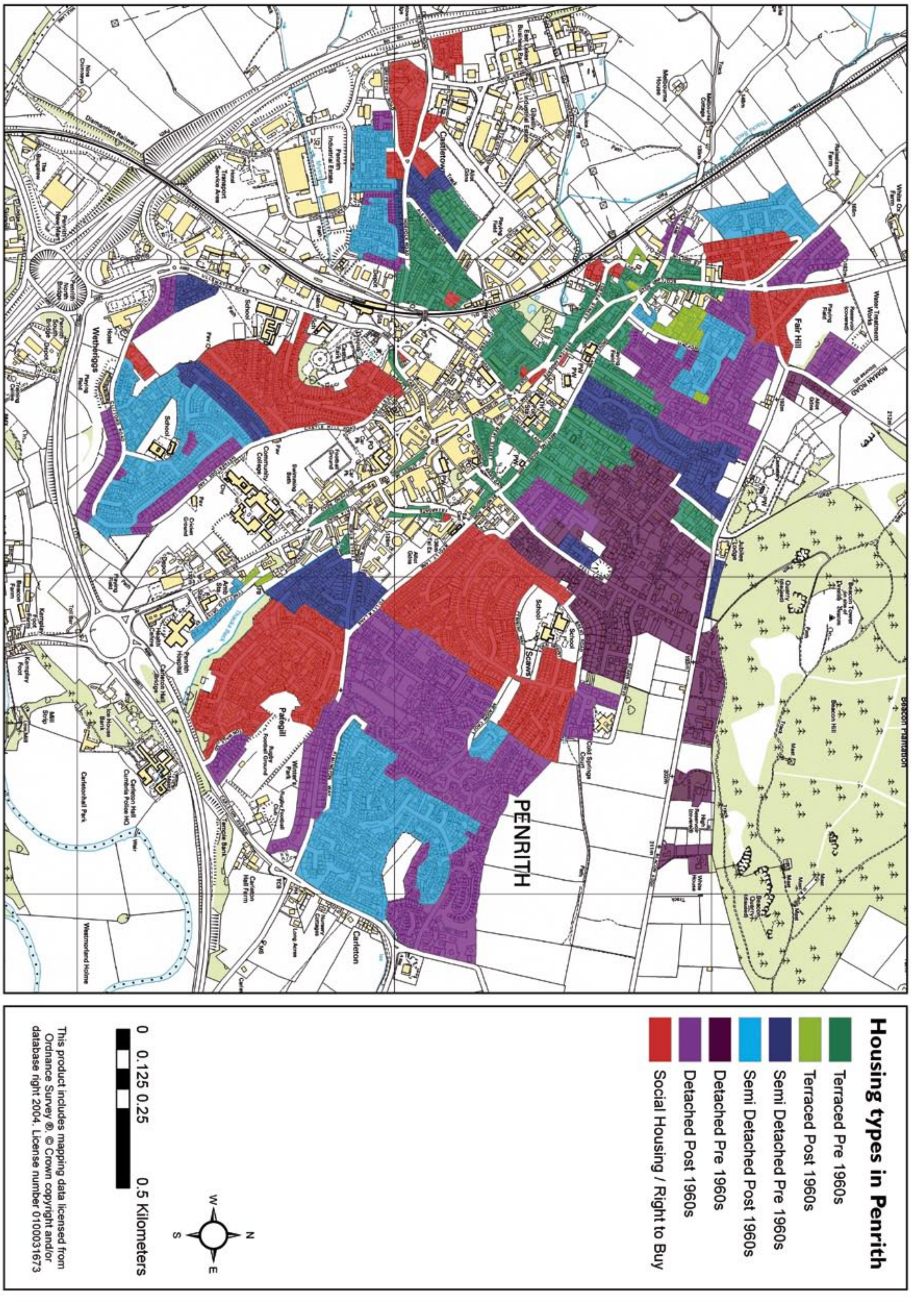
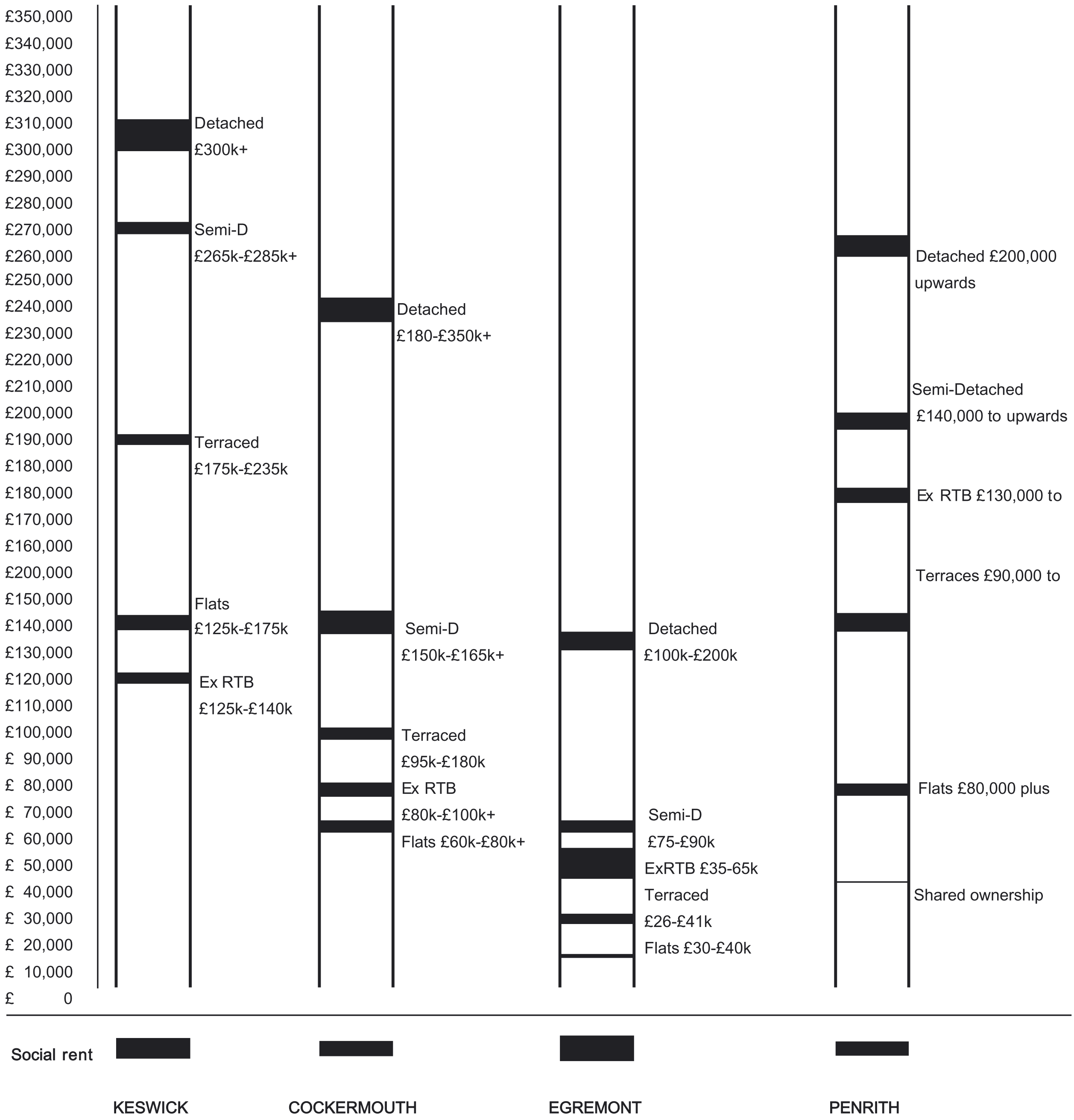


Figure 5 Housing ladder showing Penrith and other Cumbrian market towns



AFFORDABILITY

3.30. The housing ladder, Figure 5, shows Penrith has a similar ladder profile to Keswick and Cockermouth, both defined as high value integrated markets, in the 'Housing markets preparing for change' report. The main concern with high value integrated markets is the widening affordability gap between social housing and owner occupation, the first rung on the ladder being too high to step onto.

3.31. Housing staircases were developed from this model by Land Use Consultants for the Defra project 'The extent and impacts of rural housing need', and show the availability of properties on the housing ladder (the number and price of properties) sold over a period of time.

3.32. The staircases also illustrate the affordability gap in the settlements. The majority of properties being sold in Shap and Penrith cost £100,000 to £150,000. Langwathby shows an increase on those figures with the majority of sales between £150,000 and £200,000. Insufficient data, only two sales, means that no staircase can be calculated for Glenridding.

Figure 6 Penrith housing staircase

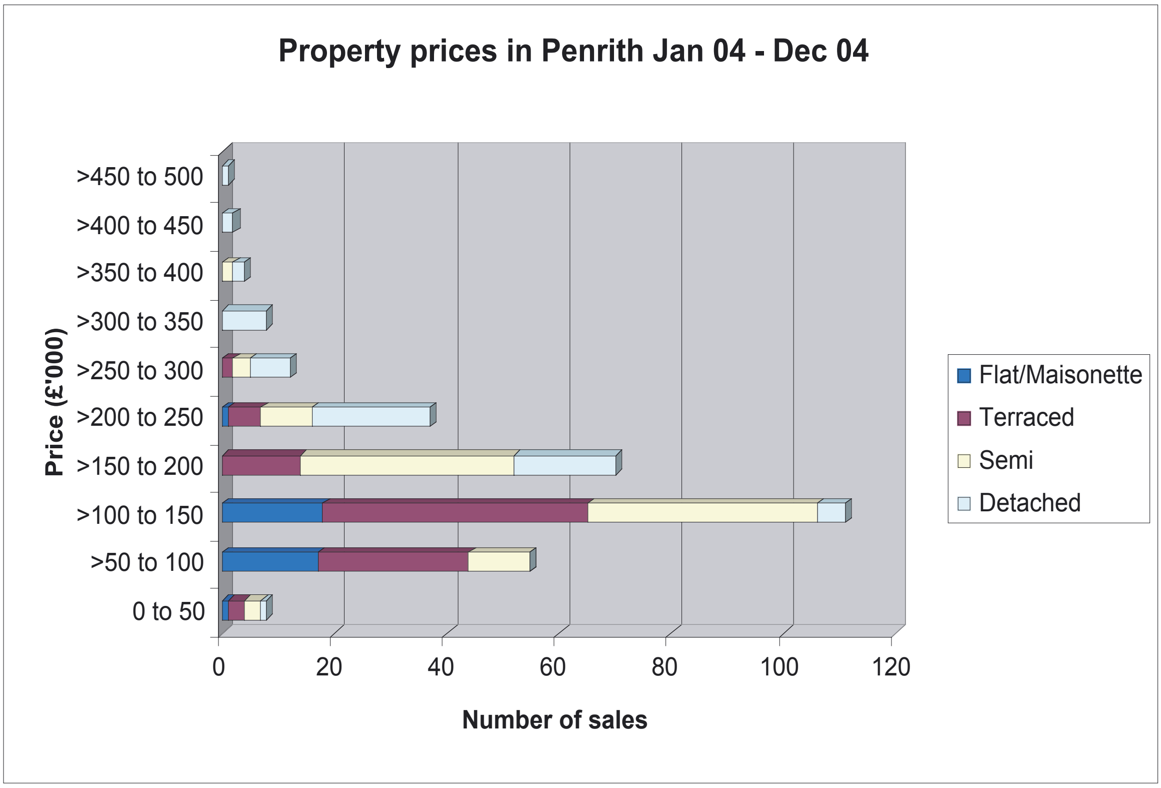


Figure 7 Langwathby housing staircase

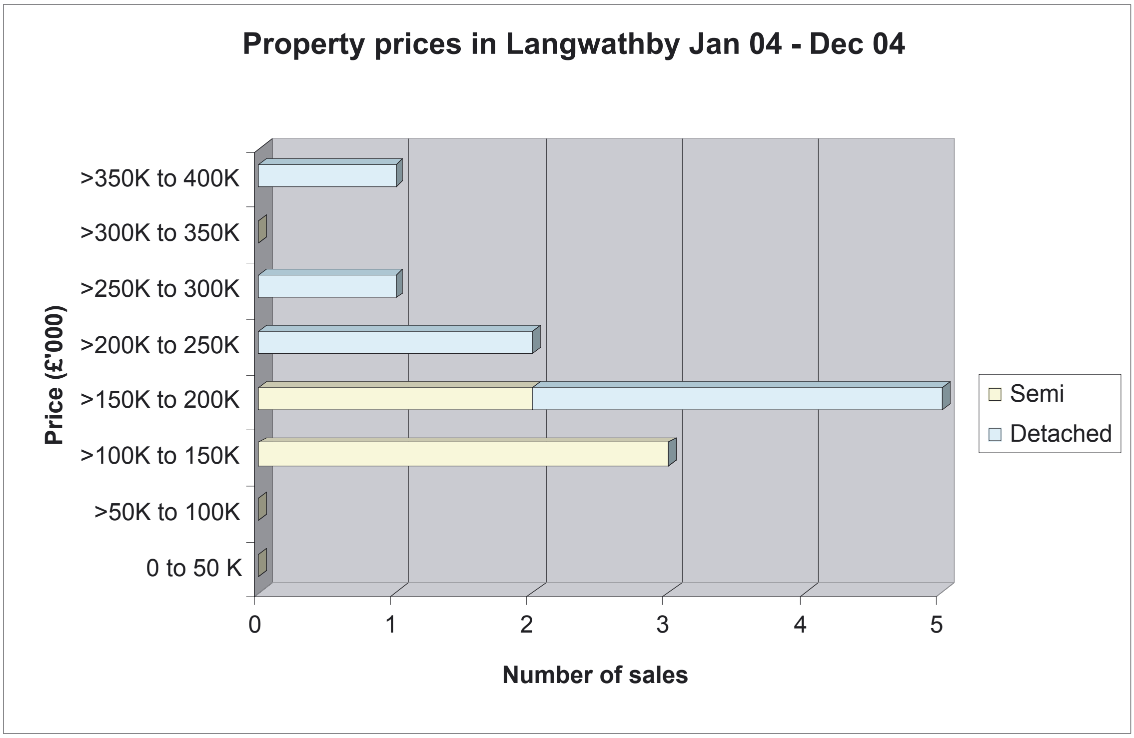
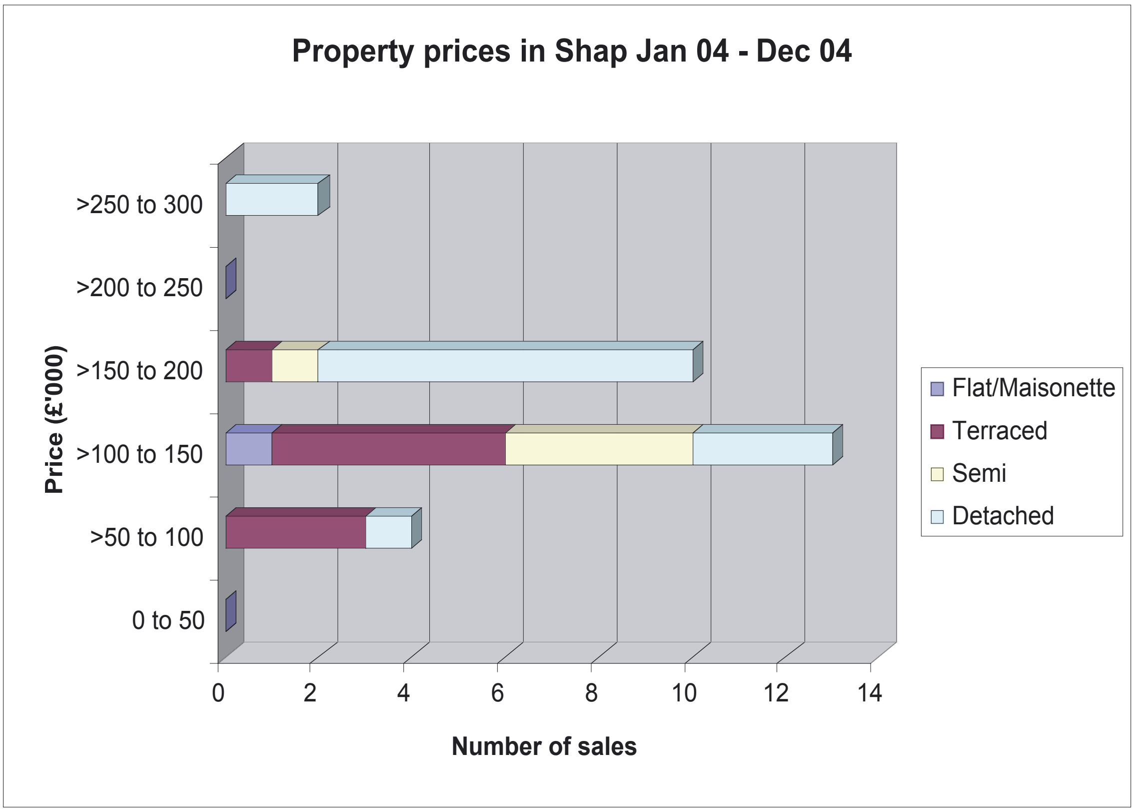


Figure 8 Shap housing staircase



3.33. The project has also used 2004 Land Registry house price data to map house prices in the county on a rolling average basis. The mean house price map shows that Penrith provides a significant pocket of lower priced housing in a pattern of high house prices stretching across the national park and then across into the area of outstanding natural beauty (AONB). That this pattern persists for the lower quartile map is important – at both levels in the housing market Penrith provides the lowest priced housing within 30km.

3.34. Penrith has not escaped the increases in house price inflation over the past five to ten years, with the average property in Penrith now costing £162,338 compared with a Cumbrian average of £149,965. Table 6 shows house price data for postcode areas covering the settlements.

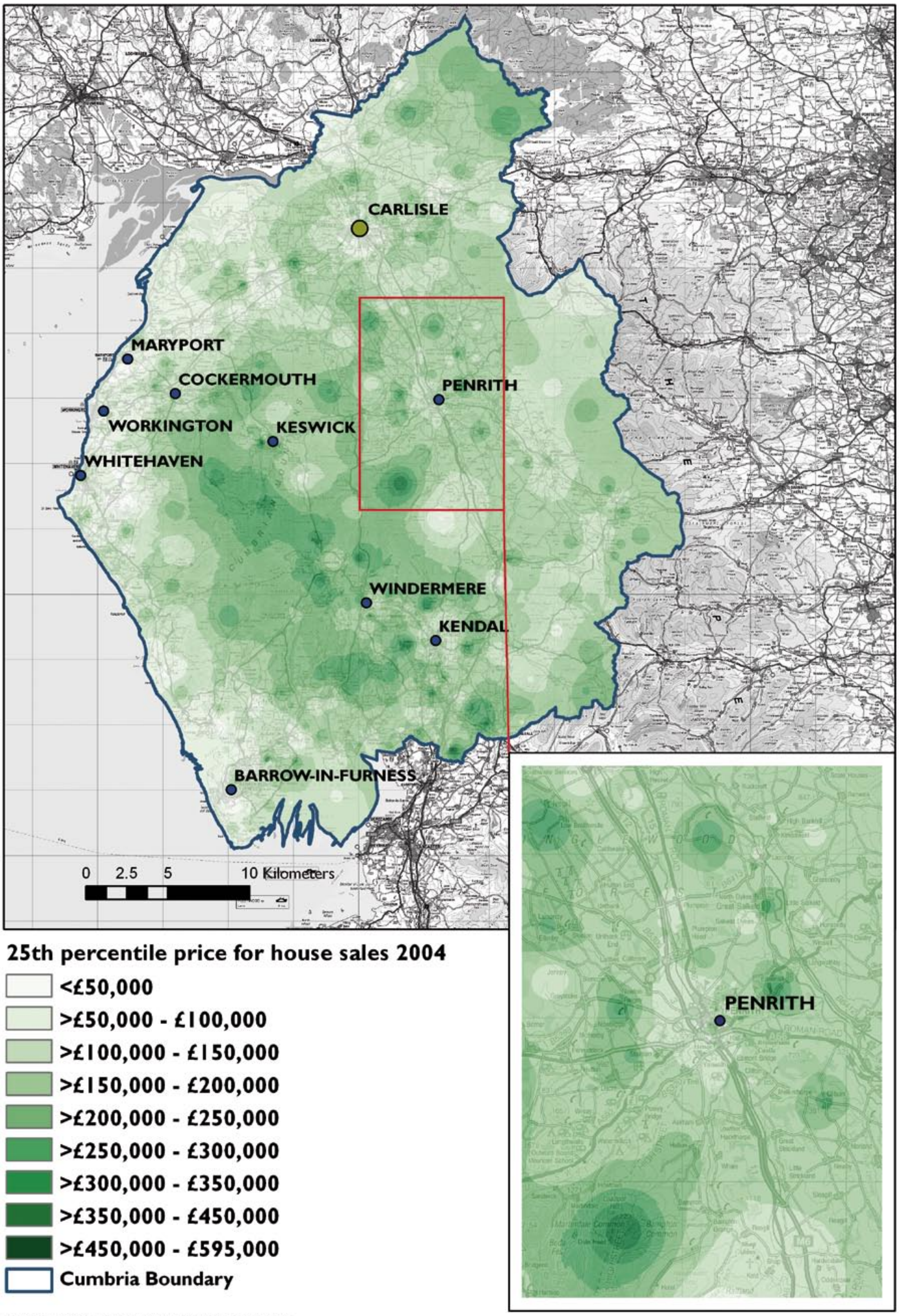
Table 6 Land Registry house price data – July to September 2005

	Detached		Semi-detached		Terraced		Flat		Overall	
Settlement	**£**	**No**	**£**	**No**	**£**	**No**	**£**	**No**	**£**	**No**
Glenridding (CA11 0)	£511,250	4	£283,033	3	£156,465	13	£0	0	£246,407	20
Langwathby (CA10 1)	£291,642	14	£265,000	6	£137,300	10	£0	0	£234,866	30
Penrith (Ave of CA11, 7, 8 & 9)	£279,070	15	£145,824	29	£143,582	33	£89,777	9	£162,338	86
Shap CA10 3	£272,500	4	£216,250	6	£137,300	10	£0	0	£234,866	30

3.35. A review of properties available in local estate agents shows that there are more lower priced houses for sale than higher valued properties – the majority of those available being small older terraces starting from £90,000 for a one-bedroom cottage, and £120,000 to £170,000 for two- and three-bedroom terraces.

3.36. Ex-right to buy properties are also readily available with prices ranging from £94,000 for a two-bedroom flat, £140,000 for a three-bedroom terraced property, to £180,000 for a three-bedroom semi-detached property.

Figure 9 Lower quartile house prices 2004



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3.37. Based on a minimum wage a single person household could be expected to raise a mortgage of around £35,000 to £40,000, about 40% of the lowest valued properties in Penrith. A couple, both in minimum waged employment could expect to raise a mortgage of £55,000, about 60% of the lowest valued properties.

3.38. Eden District Councils supplementary planning guidance (SPG) sets wage levels for their affordable housing calculations of £27,500 for household earnings and £17,500 for individuals' earnings. These wage levels would generate borrowings of £74,500 and £63,500 respectively, sufficient for 83% and 70% of the lowest value properties respectively. [5]

3.39. With only 1.3% of the housing market (83 properties) available on a shared ownership basis, the supply of properties is limited for those on either minimum wage or local salary levels (defined in SPG) looking for their first home. Eden Housing Association has sold 112 properties in Penrith since the stock transfer in September 1997. They now have 720 properties, a reduction of 13.5% in 8 years.

3.40. A review of social housing property lettings shows that over the last year in Penrith there have been 65 lettings of the 834 properties reviewed; a turnover of 7.8%. Of these lettings there were only nine two-bedroom houses let, 11 three-bedroom houses let, one four-bedroom house; a total of 21 houses let in one year, of the remaining lets nine were sheltered properties (15% of the sheltered stock), with 39 flats let in the year.

3.41. To put these figures into context, there are currently 1,105 people on the District Council's housing waiting list, with 46 people being accepted as homeless in the first three quarters of 2005/06, from 149 people who presented as homeless. There are approximately 2,000 social rented properties available in the district; using a turnover rate of 7.8% that would mean a wait of seven years for those at the end of the list, those needing a family home having the longest wait.

3.42. Details of 35 social rented properties were reviewed for Langwathby, of these one three-bedroom house has been let in the year, a turnover of just 2.8%. Glenridding shows the slowest turnover with no properties of the 22 flats and houses reviewed, although there had been turnover in the previous year.

3.43. Shap shows a turnover of 11.4% overall with 8 lettings of 70 properties, however, that figure is skewed by a high turnover in sheltered properties, at 25%, (5 of 20 properties), with turnover in general needs housing at 6%, and turnover of houses at 3.8%, with one relet out of a stock of 26.

3.44. In the rural areas there is a very limited supply of social housing, and therefore even more limited opportunity to access a house.

3.45. Sheltered stock has a high turnover, which may have more to do with an aging population and changing care needs rather than an oversupply of property.

3.46. Of the information reviewed for the last three years, all of the settlements show a slow down in turnover over that time. This highlights the increasing blockages in the

[5] Figures are based on the average of the range provided by the Bradford and Bingley mortgage calculator

system created in part by an increasing affordability gap between social housing and owner occupation.

3.47. Of those in social rented housing we do not know how many would be in a financial position to step into equity sharing, or how many would wish to exercise that option if it were available. However, the housing ladder, figure 5, and staircases, figures 6, 7 and 8 clearly demonstrate the affordability gap.

3.48. In general flats show a higher rate of turnover than family houses, and overall three-bedroom houses show the lowest amount of turnover overall.

PLANNING

3.49. An analysis of planning application approvals has shown that since 2000/01 Eden District has seen the approval through planning of 194 additional affordable homes.

Table 7 Affordable housing planning approvals

	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	Total
Penrith	1	39	4	10	23	6	83
Kirby Stephen	7	7	7	1	0	0	22
Alston	0	2	0	0	0	0	2
Appleby	0	0	0	7	0	4	11
Local service centres	0	0	0	0	0	0	0
Other areas	27	6	18	19	6	0	76
Total	35	54	29	37	29	10	194

The figures for 2005-06 cover the period April to November

3.50. New SPG came into effect in 2004/05. Looking at the table below the effects of reduced targets for planning approvals and the revised SPG appear to show a significant step change in the provision of affordable housing as a percentage of total approvals.

Table 8 Affordable housing provision as a percentage of total provision

	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Penrith	2%	45%	2%	3%	7%	2%
Kirby Stephen	14%	8%	3%	0%	0%	0%
Alston	0%	3%	0%	0%	0%	0%
Appleby	0%	0%	0%	2%	0%	2%
Local service centres	0%	0%	0%	0%	0%	0%
Other areas	54%	7%	9%	5%	2%	0%
Total	70%	63%	14%	10%	9%	4%

The figures for 2005-06 cover the period April to November

3.51. However these figures have to be set against the total planning permission picture for housing. Over the last 5 years an average of only 49 dwellings a year have been permitted in Penrith. It is very telling that up to 2003/4 the number of dwellings permitted outside the market towns (and local service centres) of the district comfortably exceeded planning permission within them. All that has happened since this time is that planning permissions outside the market towns have not been given, but the rate within the market towns has not increased. In consequence the overall rate of planning permissions for the district has dropped markedly.

3.52. The planning permissions figures exclude permissions awaiting the completion of planning obligations, which once granted will add significantly to these numbers, but not such that the rates of permissions for Penrith would reach those planned for in policy.

Table 9 Housing planning permissions

	2004-05	2003-04	2002-03	2001-02	2000-01	Total	Annual rate
Penrith	52	39	65	41	48	245	49
Kirby Stephen	15	21	10	19	5	70	14
Alston	4	4	5	3	4	20	4
Appleby	1	1	54	23	9	88	18
Local service centres	0	32	40	38	55	165	33
Other areas	14	106	167	189	157	633	127
Total	86	203	341	313	278	1221	244

These figures exclude permissions awaiting the completion of planning obligations

EMPLOYMENT

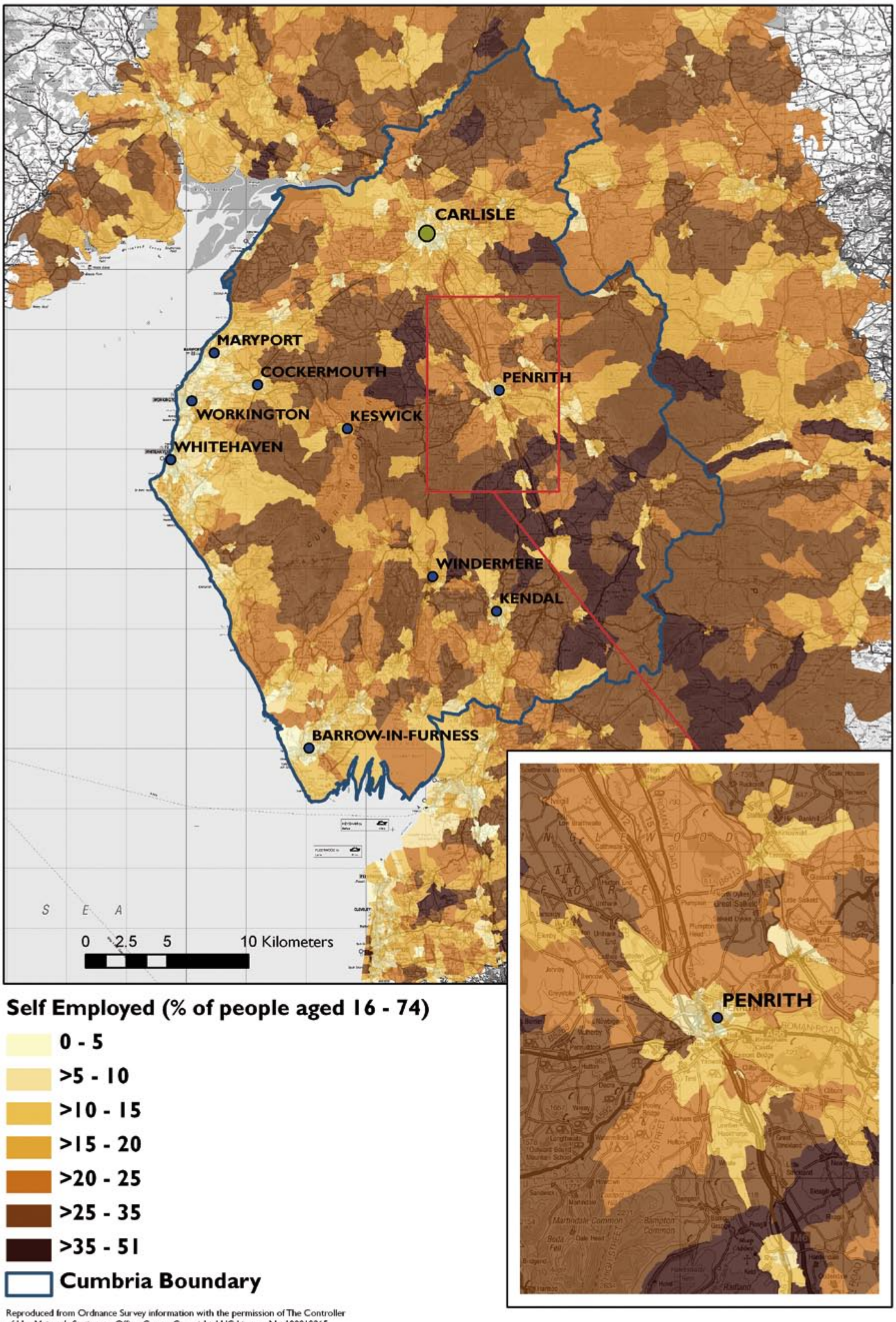
3.53. The economic activity rate for residents of the town is slightly above that for the surrounding countryside, but self-employment and working from home is noticeably lower – both rise to over 25% of economically active people immediately outside the town whereas in the town the level is typically under 10%. Penrith is home to significantly more retired people than the surrounding area, and a relatively low proportion of people seeking work.

3.54. Employment statistics for the Eden District Council area show 1.8% of the working population unemployed, compared to a north-west average of 4.8% and a national average of 4.8%, and lower than Carlisle (2.4%), South Lakelend (3%), and Allerdale (5%). This equates to between 400 and 700 people in unemployment and wanting a job[6].

3.55. However, January 2006 statistics show only 225 people claiming job seekers allowance, 65 between the ages of 18 and 24, 110 between 25 and 49 and 45 over 50. 20%, 45 people have been claiming for more than 6 months. This information highlights a relatively buoyant economic position and job market[7].

[6] Source – annual population survey March 2004 to April 2005, Nomis
[7] Source - Claimant count, January 2006, Nomis

Figure 10 Self employment



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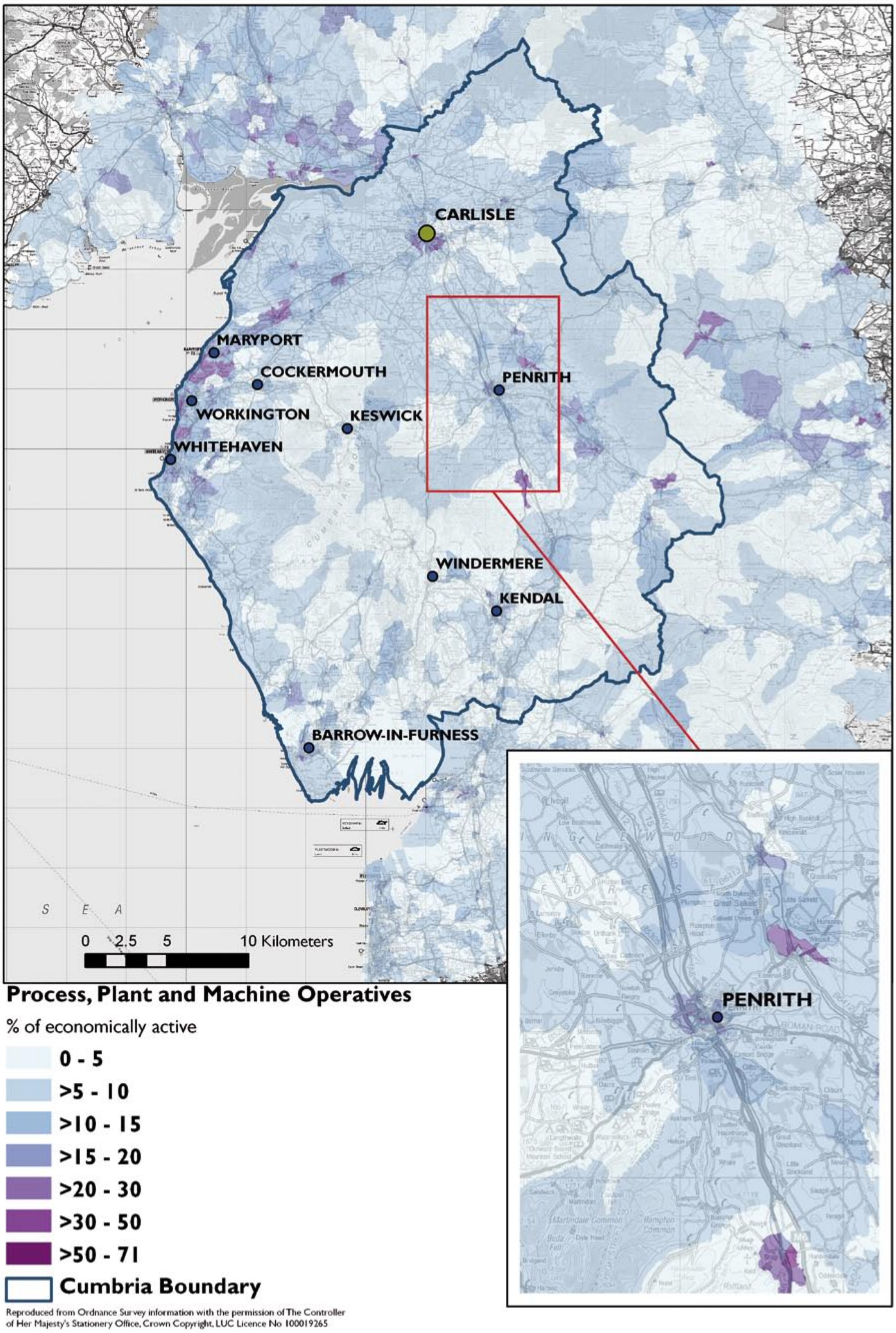
3.56. The annual gross weekly wage for full time employees in Penrith is £400.00 compared to a £410.00 north-west average and a £433.10 national average. These wages are higher than those of Allerdale (£55 lower), South Lakeland (£32 lower) and Carlisle (£5 lower)[8].

3.57. The 'occupational groups[9]' mapping shows that Penrith and the surrounding area show no real patterns in the distribution of people from the different occupational groups apart from the town having more people from the lowest two occupational groups – process plant and machine operatives and elementary occupations.

3.58. Annual Business Inquiry data shows Penrith's strongest employment sectors are retail, hotels and restaurants, distribution, and the public sector. This is in contrast to the relative strength of manufacturing, and less significantly agriculture, elsewhere in Cumbria. (Maps showing occupational groups are contained on the disc which accompanies this report).

[8] Source – annual population survey March 2004 to April 2005, Nomis
[9] a Census classification of the types and skill levels of employment

Figure 11 Process, plant and machine operatives



Migrant workers

As part of this study, a survey was undertaken of those who use the Cyber Café in Penrith Foyer; the aim being to analyse the housing and employment situation of the younger people in the area, and compare the situation of British nationals with foreign nationals.

The survey provided 39 completed questionnaires from local residents, completed over a four-week period in February to March 2006. Survey forms were completed by 12 British nationals (30%), 17 Polish nationals (44%), and 10 people of other nationalities.

The information shows some stark contrasts between the British nationals and the foreign nationals, and some similarities across this age range. The majority of respondents were aged between 18 and 35, (30 of the 39, 77%).

Irrespective of nationality the majority were employed in catering and tourism work, car ownership was low, as was home ownership.

However, the significant differences were that the only two people (5%) who were unemployed were British nationals. Where as the majority of people in housing need were foreign nationals mainly Polish workers, who found their existing properties too expensive, or too small. Considering that the wage levels of 53% of those in housing need (9 people of 17) earned less than £830 per month it is not surprising that rents, even social rents were deemed to be too high. 35% (6) of respondents in housing need were in housing association property; all said the property was too expensive. Housing benefit can be claimed by EU workers providing they have a national insurance number; how many migrant workers know this can not be established from the data.

There was evidence of overcrowding in 10% of cases, (4 respondents), covering accommodation provided by employers or private landlords, the worst case being 8 people aged between 18 and 24 in a three-bedroom house.

The British nationals tended to live in flats or houses, with the majority being in three- or four-bedroom accommodation (some appearing to live with parents), whereas the foreign nationals tended to live in one- or two-bedroom flats, with others living in shared accommodation or mobile homes (often provided by an employer).

There were more households with under five's in the foreign national responses, 7 to 1, but all of the households (5) with 5 to 15 years olds were British respondents.

The majority of the British nationals had lived in the area for over 6 years (28%, 11 of the 12 respondents), in contrast to the foreign nationals who had mainly lived in the area for under six months (30%, 12 people).

72% of respondents came to the area for work or to find work, of which 8% (3) were British nationals, the remainder moved for family or relationship reasons.

TRAVEL TO WORK

3.59. Residents of Penrith travel far less distance to work than is the norm across much of the county, and own fewer cars. This is despite proportionately fewer of them working from home.

3.60. Both Glenridding and Penrith show high percentages of people who live and work in the settlement; 64.3% and 67.7% respectively. Langwathby and Shap show higher degrees of commuting out of the settlement at 41.2% and 44.9% respectively. Bearing in mind that Penrith is on main arterial routes for both road and rail this percentage is significantly high, identifying Penrith as a sustainable economic entity in its own right.

3.61. Whilst Penrith and Langwathby are net importers of employees, Shap and Glenridding are net exporters of employees, more people commuting from these settlements than commuting in. The travel to work maps, Figure 13, show a similar pattern of travel to work to the migration maps, with most trips (80%) either being self contained, or within a 30km radius of each settlement. (Travel to work maps for the other settlements are contained on the cd which accompanies this report).

3.62. Penrith shows a labour exchange with Carlisle; with Carlisle exporting 22% (90 people) more to Penrith than on the reverse commute. The information shows significantly more; more than double the number of process, factory workers or elementary occupations living in Carlisle and travelling to Penrith, 135 compared to 50 travelling from Penrith to Carlisle.

3.63. Workers in such occupations may well be attracted to Carlisle by the availability of affordable houses to buy or rent, the greater number of services offered by the city, or it may be that Penrith employers find a larger workforce in Carlisle from which to draw staff.

3.64. The commute to Penrith from the west coast of Cumbria is limited, just over half of those who travel from Carlisle, (288 against 504). By far the highest group commuting from the west coast to Penrith are professional/technical employees, (26.7%, 77 people). In total managers and professionals account for over 50% of west coast commuters to Penrith.

3.65. The map shows one interesting geographical aspect to west coast commuting; there appears to be a southern limit beyond which there are no commuters. This is no doubt created by the road network, anything south of Whitehaven taking too long to warrant commuting for any occupational group, until you reach Barrow in Furness where commuting would take a southern route around the Lake District.

Figure 12 Average distance to work

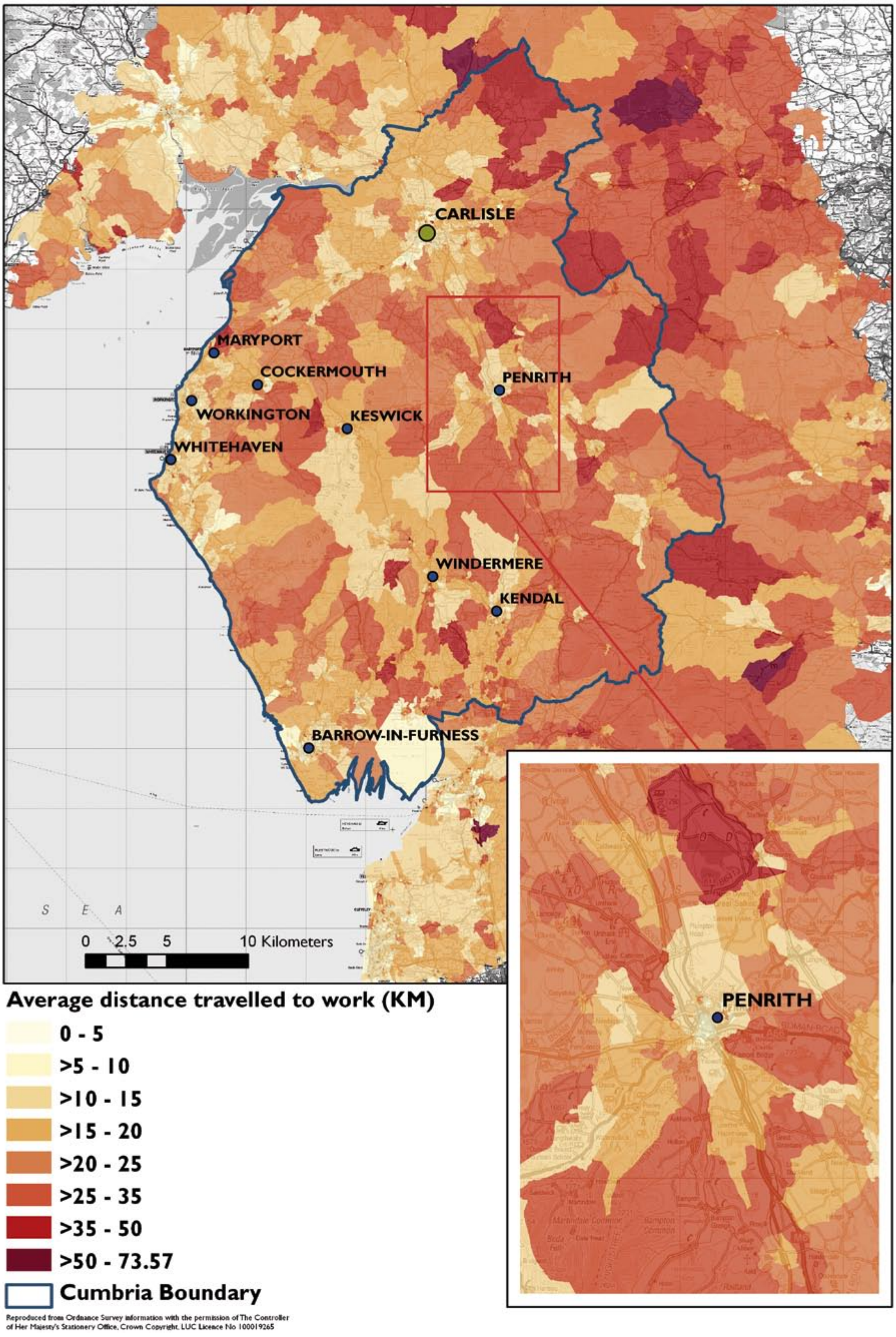
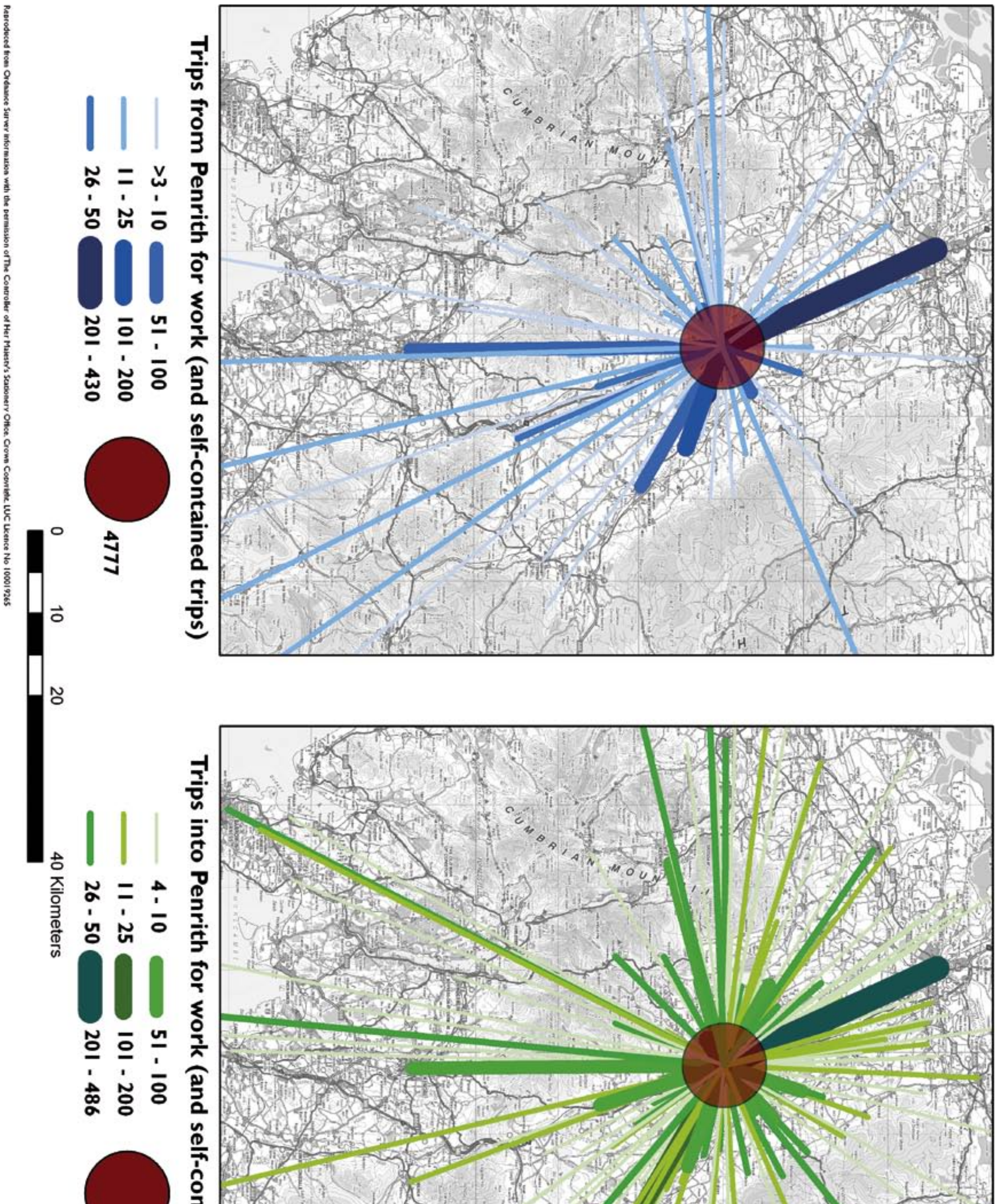


Figure 13 Penrith travel to work



3.66. Langwathby shows the majority of commuters travelling between the village and Penrith, 42% of all commuters out of the village and 35% of commuters into the village. There are a number of tourism and agriculture related businesses in and around Langwathby that could account for this net inflow of employees, these employers include Eden Ostrich World, Frank Birds poultry suppliers, and an animal feed mill.

3.67. Glenridding is a net exporter of people, with 40 more people commuting out of the village (94) for employment than commuting in (54). Of those commuting out of the village, 33% (31) commute to Penrith, and 13% (12) travel to Carlisle. In reverse only 22% (12) travel from Penrith, the majority (44%, 24) of commuters travelling from other areas of rural Cumbria.

3.68. Shap again is a net exporter of people with 104 more people commuting out of Shap (326) than commuting in (224). Of those commuting out 30% (99) travel to Penrith, 11% (35) travel south to Kendal, and 6% (18) travel to Carlisle. Of those travelling to Shap only 20% (45) travel from Penrith, 5% (12) from Kendal, and 8% (18) from Carlisle. Its location on the A6 allows Shap to benefit from good road transport links, aiding commuting around the county.

3.69. It is worth highlighting again that for all of the settlements 80% of commuters to and from the settlements are relatively local, Cumbria based journeys.

3.70. This information is based on 2001 Census data, and as such could be dated. However, there have been no significant employment changes in any of the settlements in that time, no future major employment changes are known of, and there have been no significant changes to transport patterns, so it is unlikely that the pattern of commuting has altered.

3.71. Whilst house prices have risen in the area over time, prices have risen proportionately across the county, Eden perhaps displaying slightly higher increases, which may result in slightly more commuting into the area by those who have sought more affordable housing in other adjacent areas, but this is not expected to significantly impact on commuting patterns.

4. SYNOPSIS AND DISCUSSION

SYNOPSIS

4.1. The purpose of this section is to collect together the main points of the findings as the basis for discussion and recommendations.

4.2. The starting point for the study is very much reflected in the current policy set, from the region down, covering Penrith and the surrounding area. Rural Cumbria is cast by the RSS as an area of the region essentially in decline – isolated, losing economically active people, with a poorly performing economy. This is seen as an area where achieving sustainable development is inherently more difficult than other parts of the region. Growth in the county is focused on Carlisle, Barrow and west Cumbria on a 'bigger is more sustainable' basis.

4.3. However the RHS notes that housing affordability is a greater problem in the more attractive rural parts of the region, such as central Cumbria, which is also a threat to sustainability.

4.4. Looking forward, the RSS sets an anticipated rate of housing development for Eden District which is considerably higher than that set in the Local Plan (239 units vs 170 units), though both expect Penrith to be the principal focus for new development. The most recent year's housing planning permissions granted have fallen well below both. This is caused partly in response to the 2004 policy change which sought to reign in housing permissions outside the main towns of the district. This has happened, but a commensurate increase in housing permissions in Penrith (mainly) and the other main towns has not occurred.

4.5. Contrary to the broad picture painted in the regional strategies, Penrith and its surrounding area do not seem to be in decline at all. Economic activity is high, unemployment is low, and average wages are above those for neighbouring areas. The household and employee structures of the town are well mixed, and although employment is skewed towards service sectors, arguably these are more robust and progressive than the sectors that are more prevalent elsewhere in the county.

4.6. Similarly the housing stock in the town is considerably more mixed than that in the surrounding settlements and countryside, both in terms of house type, size and tenure. More specifically Penrith has more smaller homes than are found elsewhere and also more social rented homes.

4.7. Penrith is also clearly where house prices, both median and lower quartile, are lowest for many kilometres around. However this does not mean that affordability is not a problem in the town; there is still a considerable gap between social rented housing and the lowest priced open market housing. Thus the turnover in all types and sizes of social rented housing is low, but this is particularly pronounced for larger 'family' homes.

4.8. In addition the Foyer questionnaire uncovered clear evidence that the lowest paid workers, many of them migrant workers, often live in highly unsatisfactory housing conditions, mostly in the private sector. Overall the 'bottom end' of the housing market in Penrith is clearly not working well. For those on the lowest incomes even the cost of social housing can be unaffordable.

4.9. Against this perspective planning permissions for new housing are currently in decline, between 2000/1 and 2004/5 only 159 affordable houses have been approved in the district out of a total of 1,221, and the clear majority of all housing permitted has been outside Penrith and the other service centres. In the last year more affordable housing has been permitted, and most development has been in Penrith; the majority of it has been affordable housing but the overall rate of development has slowed to just 50 houses for 2005/6.

4.10. Both the travel to work and migration mapping show a 'hinterland' for Penrith that is relatively local. Beyond Carlisle to the north and Kendal to the south there are only weak commuting and migration connections to the town. The overwhelming majority of commuting and migration trips are within the town itself, and most of the rest from within a radius of 30km, and so from within the county. The migration maps do also feature people 'swapping' housing markets, and young people travelling away to education, but these are far less significant than the local moves.

4.11. In comparison with market towns across England Penrith appears functionally strong, both for its own residents and those of a clear hinterland. This is despite the presence of the M6 and mainline railway, both arterial routes, which might be expected to dilute such localised functionality.

4.12. An important additional point is that Penrith appears to sit in a position of relative functional independence in the eastern part of Cumbria. In doing so it serves the surrounding smaller settlements and countryside, and so part of the national park (as the RSS anticipates). But it is not connected to, or therefore in theoretical competition with, the areas for growth priority in the county: Carlisle, Barrow and west Cumbria.

DISCUSSION

4.13. All of the indications are that Penrith is a sustainable market town, serving a sustainable hinterland, despite the assumptions of the RSS, when considered against the national housing and planning strategies and in the context of PPS3[10].

4.14. However there is a clear issue with affordability; the bottom of the housing ladder is missing, the housing market is not working well. Increased provision of social rented housing and intermediate housing are the most obvious remedies – in the shorter term this is what is needed to achieve a more sustainable community.

4.15. Looking longer term Penrith is the lynch pin for sustainability in east Cumbria. Sustainability in the south, west, north, and most of the national park has little to do with Penrith. Thus the regeneration of Carlisle, Barrow and west Cumbria have their part to play in a sustainable Cumbria, but Penrith has a separate role to play – they should not be traded against each other in policy.

[10] Draft Planning Policy Statement 3

4.16. Part of Penrith's appeal is the balanced range of housing the town offers in terms of style, type and size, whilst in the short term it is desirable to fill the missing rung in the housing ladder, this should be done within the context of not wanting to alter the overall balance of housing provision, longer term, purely looking to offer an alternative intermediate tenure.

4.17. The 2004 'District Housing Demand Survey' reported very high levels of housing demand and need for the district as a whole – theoretically as many as 3,000 households will need housing not currently provided in the next three years. Of these the vast majority (65%) are looking for three-bed houses, and only 18% flats and 16% bungalows. Also, only 35% were anticipating buying on the open market and so 65% were looking for affordable housing. Thus this relatively recent piece of research has underlined the significant scale and specific nature of future housing required in the district.

4.18. Planning permissions up to 2004-05 scattered most housing development in the rural areas. A considerable uplift in the percentage of affordable houses provided has been seen in recent years, but overall the numbers of permissions in the last year were low. This was the first full year of the revised local plan policies and they have apparently succeeded in stopping the scatter of housing across rural areas, but have yet to bring about and uplift and focus of new development in Penrith.

4.19. Such a change in development patterns will take time to bed down. Land may not come forward while owners await the testing of new policy (particularly the requirement for at least 50% affordable housing). Larger housing permissions can also take longer to agree. Nonetheless for the moment there is considerable risk that planning will deliver too few houses, possibly of the wrong size and tenure in Penrith and so will not do enough to alleviate its pressing affordability problems.

4.20. The progression of the RSS and LDF offer clear opportunities to make significant inroad into this looming problem. Higher housing figures look likely to be fixed and site searches are already underway. However should this situation look like persisting the District Council should consider early the more proactive tools at its disposal to ensure adequate supply of land for housing development.

4.21. The Government response to the Barker review[11] highlights the importance of planning and housing professionals working together to understand housing markets and address housing needs. This suggestion finds application at all levels. In Penrith both the volume and types of housing required will need close working of this sort in order to achieve what is needed.

4.22. Whilst the nature of the Southend Road scheme favours the likely provision of around 250 flats above shops in the new retail centre, it is important to recognise that such a provision will not fully address the short to medium-term housing needs of the town. The majority of the housing which Penrith needs is not flats, and so beyond this development priority should be given to other housing types.

[11] The Government's Response to Kate Barker's Review of Housing Supply, December 2005

4.23. For Penrith to realise its potential as a home for sustainable communities the rate, location and tenure of housing development need refocusing. Whereas the current local plan (as modified) proposes a rate of development of only 150 dwellings a year for the district, and so 115 for Penrith the RSS proposes a rate of 239, and so 180 for Penrith on the same 75% ratio, with affordable housing quotas of at least 50%.

4.24. Over the last five years an average of only 49 dwellings have been permitted in Penrith, and of this an average of only 15 affordable homes (12%). Over the 15 years remaining to the end of the RSS period 180 dwellings a year in Penrith would add a total of 2,700 dwellings to the town – and increase of 42%. If 50% of these were affordable then the affordable stock in the town would rise by 2,905 to become 25% of the total stock.

4.25. Although this is a long way forward to look in a housing market the additional 1,350 affordable homes are not that much more than the number of households currently on the housing waiting list. The forthcoming district wide housing needs assessment will provide greater detail on this topic. Nonetheless it seems reasonable to conclude that such a change in both the scale and nature of housing development in Penrith is needed to address the housing needs of the town, and should be translated into the LDF. The current slow-down in planning approvals has not resulted in a simultaneous refocusing of growth in Penrith. *So at the moment Penrith's housing needs are not being met.*

4.26. Furthermore the local economy, which is strongly centred on Penrith, needs both a general uplift in the rate of housing development in the town and in the proportion of affordable homes. The existing economic structure of the town favours development of a sustainable local economy (more so than that of other areas of the county), but this depends on workers being able to access housing locally. This most obviously applies to those seeking affordable homes, but a spectrum of open market housing will also be required to meet the needs of the spectrum of workers who work and mostly live in the town.

4.27. The delivery of the above requires a step change for Penrith, and would of course need to be set against maintaining the low building rates in the rest of the district. However, elsewhere in the district there are affordability issues. These can be addressed as a result of local housing needs surveys, delivering the specific requirements of the local community.

4.28. It is also important to remember that whilst the district should increase the number of affordable homes through the provision of new houses, either through new social rented properties or sale below market value, using either grant funded methods or planning quotas, there are other ways of providing homes within the existing stock. The use of Homebuy products enabling people to buy a percentage of open market houses, and working with owners to bring back into use empty properties are two ways the district are already using to maximise every opportunity to provide more affordable homes.

5. RECOMMENDATIONS

5.1. Penrith is of strategic significance for east Cumbria. It is at the centre of the housing market for the area. This housing market is substantially freestanding from those of Carlisle, Barrow and west Cumbria. Penrith and its surrounding area is not experiencing social or economic decline.

Regional and local strategies and plans should acknowledge the particular roles and functions of Penrith and its hinterland.

5.2. Penrith serves a tight local housing market and local employment market. Most of the lives of its residents appear to be contained within the town and its hinterland is surprisingly strong also. There is considerable potential for furthering sustainable communities here.

Additional housing is needed in Penrith to meet current needs and also to support the ongoing health of the local economy.

5.3. There are clear affordability issue in the housing market, both in terms of access to housing at all, and with the movement within the social rented stock. In particular moving from social rented family housing into open market family housing is extremely difficult.

More affordable housing is needed in Penrith. This should be provided across a range of house sizes and types, and tenures, informed by the forthcoming district wide housing needs assessment. In particular it is already apparent that family housing in the intermediate market is required to ensure that the current social housing stock provides for those in the greatest housing need, and people who wish to move into owner-occupation can do so.

5.4. Part of Penrith's appeal is the balanced range of housing the town offers in terms of style, type and size, notwithstanding the current deficit of affordable housing. Maintaining such a balance in the housing stock is a vital issue for the future sustainability of the town.

In addition to plugging the affordability gap, additional housing in Penrith should ensure that a balanced housing stock is maintained in the town in terms of style, type and size.

5.5. Social housing turnover in rural areas beyond the town is minimal, creating additional pressure on Penrith.

Additional housing provided in rural settlements should be permitted to meet evidence based identified local need only.

5.6. Previous development in the district has been concentrated on locations outside the service centres. This has resulted both in too many houses being built in small settlements and not enough in the service centres, particularly Penrith. Approval rates in Penrith in particular are in danger of falling well below apparent needs.

A significant increase in housing permissions and completions is required in Penrith to meet the housing needs of the town and its hinterland in a sustainable manner. The implied RSS figure of 180 dwellings a year provides a sensible policy starting point.

Such an uplift in the recent rate of development requires careful planning. A Penrith Housing Area Action Plan should be considered to set an adequate framework for this development and to ensure the availability of sites and delivery of new housing. Housing and planning professionals should work closely to develop and deliver such a plan.

5.7. The ageing local population is migrating towards Penrith, and an incoming ageing population is migrating to the rural settlements.

Adequate service provision and appropriate housing provision will be required to meet the future housing and care needs of older people, many of whom will be home-owners.

5.8. In common with many other rural areas Penrith and its hinterland has experienced an influx of migrant workers, that is unlikely to be reversed, who are needed by the local economy. Their households have placed additional acute pressure on the lower priced sections of the housing market.

The housing needs of migrant worker households should be adequately planned for, both to support the local economy and as an issue of social conscience.

Prepared for

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